

Real Estate Market Analysis:

Erie Boulevard Brownfield Opportunity Area & the City of Rome, NY

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Prepared for:

Bergmann Associates &
The City of Rome, NY



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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. We specialize in real estate market analysis to evaluate the feasibility and impacts of proposed projects. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 27 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. The firm currently has offices in Saratoga Springs, NY; Portland, ME; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

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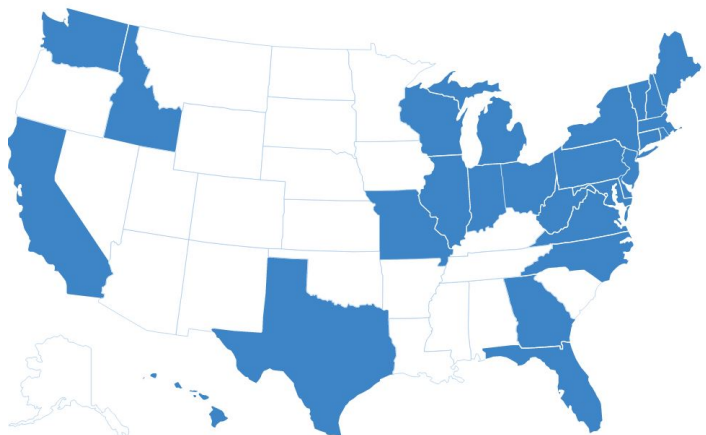


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Executive Summary

As a sub consultant to Bergmann Associates, Camoin Associates conducted a real estate market analysis for the Erie Boulevard Brownfield Opportunity Area (BOA) in the City of Rome, NY. The analysis considered the residential, retail, office, and industrial markets to identify key trends and opportunities in the BOA and city. The key findings of the analysis are discussed below, organized by each over-arching use type.

Residential

- **Housing is affordable, but quality is lacking.** Housing prices are relatively affordable for the state and for the region, contributing to the region's overall affordable standard of living. Although prices have remained stable, this also means that home values have not greatly appreciated over the last decade, limiting real estate growth. In the City of Rome, the average cost of living is approximately \$49,000, 24% less than the State of New York average cost of living.
- **There is current and expected future demand for more modern housing in Rome, especially downtown.** The housing market has been fairly stagnant for a number of years in the city and projections indicate income levels and population will not increase in any significant manner that would change the housing market; however, there are three factors that are likely to drive demand for new housing in the future.
 - **New Demand from Marcy Nanotech workers.** The Marcy Nanocenter project will have a transformative effect on the local housing market as it will attract hundreds of high-wage workers looking for upscale modern housing units. These workers are generally expected to be younger professionals with a preference for high-end apartments in downtown locations and areas walkable to various amenities such as restaurants and entertainment options. While Utica is the closest urban market to the project, Rome is well within commuting distance to the Nanocenter, and has the potential to capture a significant share of this new housing demand.
 - **Pent-up Demand from local residents and workers.** The existing housing stock does not align with current housing preferences and needs. The Utica/Rome market has a "backlog" of demand for more modern apartment units. In just the past few years this market demand has been demonstrated as developers of high-end apartments in Utica have found strong demand and the ability to achieve premium price points. More recent high-end apartment projects in Rome have shown that the demand backlog for this type of housing extends to the Rome market. This comes after years of little to no growth in the city's apartment inventory, which has led to the "pent-up" demand.

It should be noted specifically, that there is an opportunity for Rome to capture high-tech workers (present and future) at Griffiss Business & Technology Park, many of whom do not live in Rome due to the lack of modern housing and entertainment options.
 - **Replacement demand of old and obsolete housing.** The City's housing stock is old and continuing to grow more obsolete. Nearly half of the city's housing was built prior to 1950 while in the BOA itself over half of the homes are greater than 75 years old. Only about 5% of housing in the city was built after 1990. As homes continue to age they become more obsolete and less desirable. Additionally, these types of homes that have the greatest upkeep and renovation needs are owned by those least able to afford those kinds of improvements. The continued aging of the housing stock will therefore increase demand for newer housing.

- **Mid- to upper-scale apartments will have greatest demand.** The greatest demand for housing will be for apartments with mid-level to upscale finishes and fixtures that are found in the downtown area and other

places walkable to shops and entertainment options. The primary driver of this demand, indicated above, is the Marcy Nanotech development. Past experience with GlobalFoundries in Saratoga County has shown that these types of workers look for modern, high-quality rental and are willing to pay a premium for these types of units. Achievable rental rates are likely to be up to \$2,000 per month for an upscale 2-bedroom unit, although demand is anticipated for more mid-range units as well (in the roughly \$1,200 to \$1,500 per month range for a 2-bedroom unit). The owner-occupied market is less likely to be impacted significantly in the near future, but will strengthen as workers start to put down roots in the area.

Demand for apartments will also be driven by shifting preferences, especially among young professionals and baby boomers. Young professionals increasingly prefer rental units in downtown areas rich in amenities. This preference is driven, in part, by trends in waiting longer to get married and having children, difficulty in getting mortgages and making a down payment, and more mobility overall.

- **Some townhouse demand also expected.** Following apartments, townhouses are likely to see future demand from the age 55+ cohort and young professionals. Two-story townhouses are likely to be in demand by young professionals, while those in the 55+ group will have a greater preference for single story units. Interviews suggested that townhouses in the \$100 to \$110 per square foot range would be feasible (about \$250,000 on average).
- **New entertainment options needed downtown to support residential market.** According to market analysis interviews, Rome's lack of nightlife and entertainment options is a detriment to the downtown housing market. For example, many of the engineers that work at Griffiss Business & Technology Park live in Syracuse for this reason. To capture new residents downtown, including future Marcy Nanotech workers, new entertainment options will be needed including music venues, bars, and restaurants. Additionally, year round events would help promote downtown as a vibrant location that is attractive to live.
- **New age 55+ housing units will be needed.** There is both current unmet demand and future demand for age 55+ housing including higher-end apartment units that are walkable to shops and amenities. Independent living units, including senior apartments, are also likely to be in demand. This specific housing demand will be driven by a 10% increase in individuals ages 65+ in the City of Rome in the coming five years.

Retail

- **Rome's retail market has been flat.** Both the city and BOA retail markets have been quiet with no construction and no substantial trends, either positive or negative.
 - **No retail construction.** The Greater Rome market has not seen any new retail construction since 2008, according to CoStar.
 - **Year-to-year fluctuations in net absorption but no clear trend.** Net absorption of retail space in the city has not been consistent. From 2011 through 2015, net absorption totaled 85,128 square feet. However, there has been a downward trend in the absorption rate, demonstrating that the supply of retail space exceeds the demand.
 - **Vacancy and lease rates stable.** Vacancy rates have hovered around 5% since 2012 and the Greater Rome market has about 187,000 square feet of vacant retail space available. Note that the BOA has low vacancy rates, but that does not necessarily indicate potential. Lease rates in the city have generally been in the \$8 to \$9 per square foot range since 2009, although 2015 saw a modest increase in average rates to \$9.40.

- **Current consumer base demographics and spending patterns generally unfavorable for new retail development.** The median household income in the city is only \$41,600 compared to \$50,400 in Oneida County and \$58,000 in New York State. Both the BOA and city fall below the national average when it comes to consumer spending on the Spending Potential Index (SPI). In no retail category does spending exceed the national average of 100 in the City or Local Trade Area. Based on the market tapestry segmentation analysis, the Local Trade Area, and much of Rome, is comprised of new, young families who earn incomes below the national average, are budget conscience, and loyal to national chain retail stores.
- **Market segments may be opportunity for select retailers.** The age cohort 65-74 year olds will continue to grow over the next five years in the Local Trade Area and the City of Rome. Retail establishments that serve this population will likely be in demand. Another large segment of the population is made up of 25-34 year olds. The market tapestry segmentation analysis for the Local Trade Area, and much of Rome, shows that the region is made up of young families who earn incomes below the national average, are budget conscience, and loyal to national chain retail stores. Based on these factors, retail development in the Local Trade Area will likely be challenging, but could work if the retailer focused in on this particular subset of the population. Additionally, the top four income segments, ranging \$75,000-\$200,000, are all anticipated to grow over the next five years in the city.
- **The City is experiencing sales “leakage” in select retail categories and new businesses appear to be feasible.** The retail gap analysis, which measures how much spending by residents occurs outside of the city, found that residents are leaving the city (or going online) to shop at businesses in several categories. The retail categories with retail leakage are shown below with the number of potential businesses that could be supported in each category indicated in parentheses.

• Electronics & Appliance Stores ¹ (0)	• Other Misc. Retailers (1)
• Full-Service Restaurants (2)	• Shoe Stores (1)
• Clothing Stores (2)	• Used Merchandise (1)
• Specialty Food Stores (1)	• Lawn & Garden Equipment (1)
• Jewelry, Luggage & Leather Goods Stores (1)	• Health & Personal Care Stores (0)
• Home Furnishings Stores (1)	• Book, Periodical & Music Stores (0)
	• Special Food Services (0)
- **Marcy Nanotech likely to have transformative impact on market.** Based on current spending in the local trade area and the City of Rome, there are minimal opportunities for additional retail stores. However, one major future opportunity surrounds the building of the Marcy Nanocenter in Utica, NY. The 1,000-2,000 jobs that are anticipated to accompany the plant will likely be high paying jobs, and individuals will seek out entertainment and recreation options in the area. If Rome can harness its downtown composition into a mixed-use retail/residential space with the appropriate retail mix, Rome could draw regional patronage.
- **Mixed-use style retail has greatest potential.** Mixed-use style buildings and developments are more market feasible than standalone retail options because of the potential for a built-in customer base with residents on upper floors or in adjacent buildings, and the potential for creating more vibrant areas, especially in the downtown area.

¹ Electronics & Appliance Stores have significant leakage because online retailers have come to dominate this category. For this reason, we not expect there to be any potential for “brick and mortar” businesses in this category.

Office

- **Overall office market outlook is weak.** Office utilizing jobs are not expected to drive demand for office space in Oneida County or the Rome region. Both geographies are expected to lose a combined 452 office jobs, resulting in negative absorption of regional office space. There have been no office buildings added to the market since 2012, and while vacancy rates are low, the poor demand outlook means that the vacant space will be able to absorb most, if not all office space needs.

Additionally, office rental rates fell by 15-20% due to the recession and have yet to rebound to their pre-recession levels, indicating weakness in demand.

- **Potential exists for specialized office products.** While the overall office market outlook is poor, there are two sub-markets that appear to have some market feasibility: medical office space and short-term office space.
 - **Medical office feasibility.** Growth is expected in medical professions that would require office space. A companion study, completed as part of the Downtown Rome BOA Step 3 planning effort, found that a mid-scale multi-tenant clinic has market feasibility in downtown Rome due to expected industry growth, an aging population, unmet health service needs, and a lack of modern medical office space in the city.
 - **Short-term office space.** The Marcy Nanotech project is expected to generate demand for short-term office space (i.e., leases for less than one year) that is fully furnished and equipped with the basics. GlobalFoundries in Saratoga County was a similar development that created demand for this type of space, which was in short supply in the market. This kind of office space, coupled with short-term apartments or lodging may be a successful niche product type.

Industrial & Flex

- **There is currently an excess of industrial property on the market.** Vacancy rates for industrial space are over 11% in Oneida County and Greater Rome. Prior to the recession, vacancy rates were generally in the 7% to 8% range in the Greater Rome market, where there is now about 590,000 square feet of vacant industrial space. Oneida County has nearly 2.7 million square feet of vacant space in total. There has been no new industrial construction in Greater Rome since 2009.
- **Demand for industrial space has been weak.** Between 2007 and 2015 the Greater Rome market experienced a net absorption of about negative 350,000 square feet as industrial users left the area or closed. Warehouse space was the biggest “loser” with a negative net absorption during this time of about 270,000 square feet. Net absorption of manufacturing space was negative 78,000 square feet. “Service” and “Distribution” were the only industrial categories to see positive net absorption, although it was minor.
- **Flex space is in short supply.** According to CoStar data, flex space (i.e., a mix of office and light industrial) has low vacancy rates in Greater Rome and Oneida County at under 1% and 3.2%, respectively. Net absorption of flex space, however, has been relatively minor with only 13,250 square feet absorbed in Greater Rome since 2013. The data suggests that the market may be able to support new flex building in the next few years.
- **Regional industrial growth expected in select sectors.** The demand outlook in the region is strongest for Transit and Ground Passenger Transportation. The industry is expected to gain 130 jobs in the next 10 years. There are also potential opportunities within the Electrical Equipment, Appliance, and Component Manufacturing and Food Manufacturing industries, which are expected to grow. Computer and Electronic

Product Manufacturing, Wood Product Manufacturing and Apparel Manufacturing are three other manufacturing sectors that are also expected to grow.

- **Industrial and flex space demand likely to be absorbed by Griffiss or outside of Rome.** Griffiss is well positioned to absorb industrial demand in the near future as it caters specifically to those industries expected to grow in the region. Furthermore, traditional industrial users, especially for warehousing and distribution, are unlikely to locate in the city – choosing instead locations closer to the NYS Thruway and where land is very cheap.
- **Marcy unlikely to generate much new demand for industrial or flex space in Rome.** A companion analysis completed as part of the Downtown Rome BOA Step 3 project explored the potential demand generated for industrial and other spaces as a result of the Marcy project. The report found that due to the heavily globalized supply chain of semiconductor manufacturing coupled with the need for “spinoff” industrial users to be in close proximity to the facility itself, little demand for industrial space would be exist in Rome. Any demand that did exist would likely be captured at Griffiss.

Introduction

As a sub consultant to Bergmann Associates, Camoin Associates conducted a real estate market analysis for the Erie Boulevard Brownfield Opportunity Area (BOA) in the City of Rome, NY. The following market analysis consists of the following interrelated studies:

- Demographic & Socioeconomic Analysis
- General Economic Outlook
- Residential Market Analysis
- Retail Market Analysis
- Office Market Analysis
- Industrial & Flex Market Analysis

Data Sources

Much of the data in this report were purchased from ESRI Business Analyst Online (ESRI) and Economic Modeling Specialists, Inc. (EMSI). ESRI's base data is the 2000 and 2010 Census. It uses proprietary statistical models and updated data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to project future trends. ESRI data is often used for economic development, marketing, site selection, and strategic decision making. For more information, visit www.esri.com.

EMSI data are compiled from several sources, including the U.S. Census Bureau and U.S. Departments of Health and Labor using specialized proprietary processes and models to estimate current statistics and predict future trends. Visit www.economicmodeling.com for additional information.

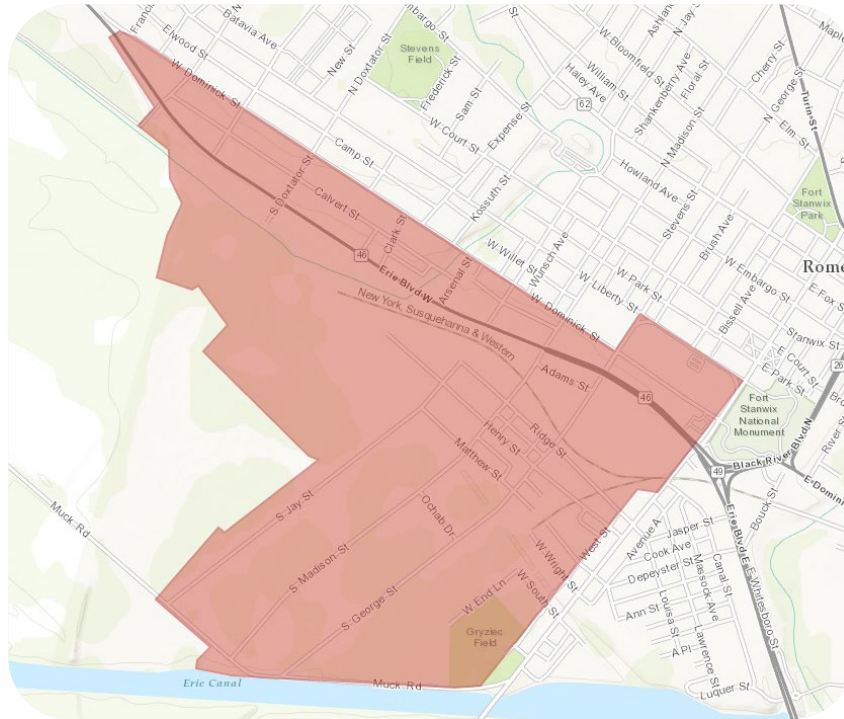
CoStar data was also purchased for Oneida County. CoStar data provides detailed building-level data for all commercial and multi-family properties in the market. It aggregates data to track trends in construction, net absorption, inventory, lease rates, vacancy rates, and other key details.

In addition to gathering statistical data, Camoin Associates spoke with local experts to gain information on the economic and market trends occurring within the city and region.

Geographies

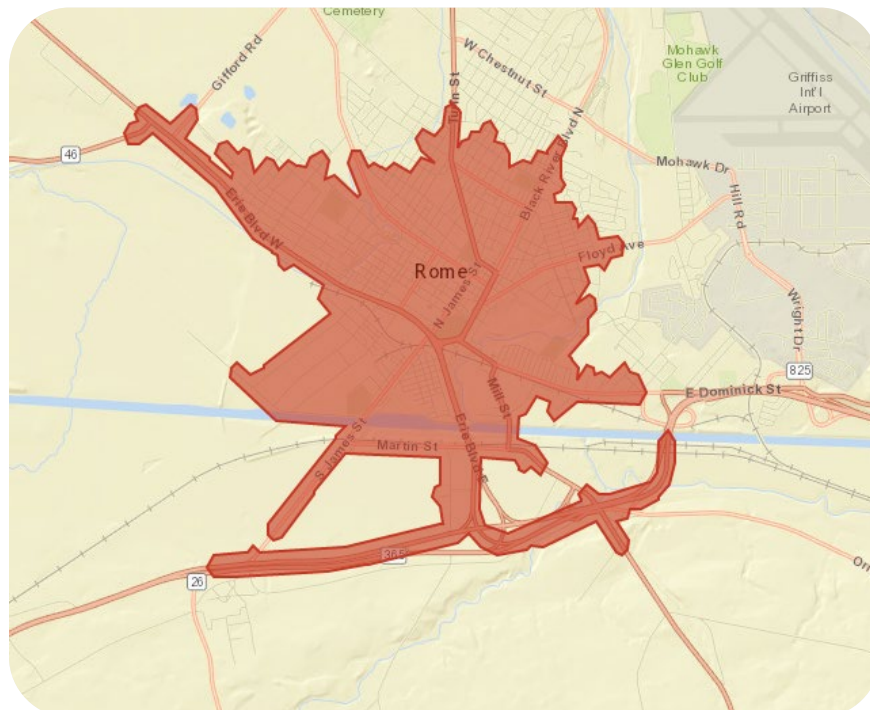
The maps on the following pages show the areas used as comparison geographies throughout different sections of the following report. Comparing the BOA area to the surrounding region allows for a greater understanding for market realities and provides context for any trends at the local level.

Erie Boulevard Brownfield Opportunity Area (BOA)

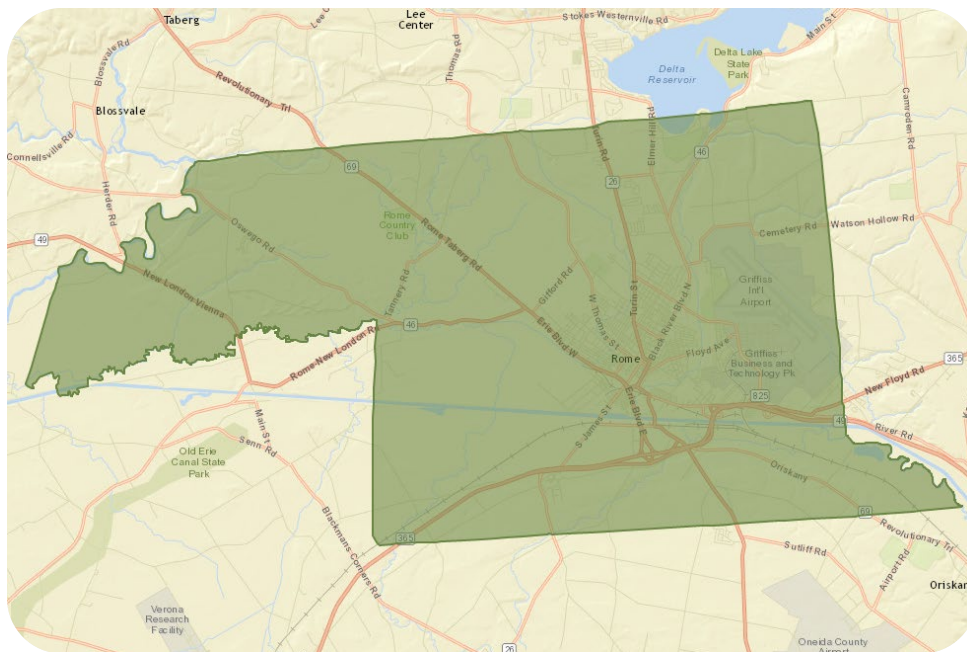


Local Trade Area

The Local Trade Area is a 5-minute drive time from the center of Rome. This area covers the area where city residents would typically get their essential items like groceries, self-care items, and gasoline.

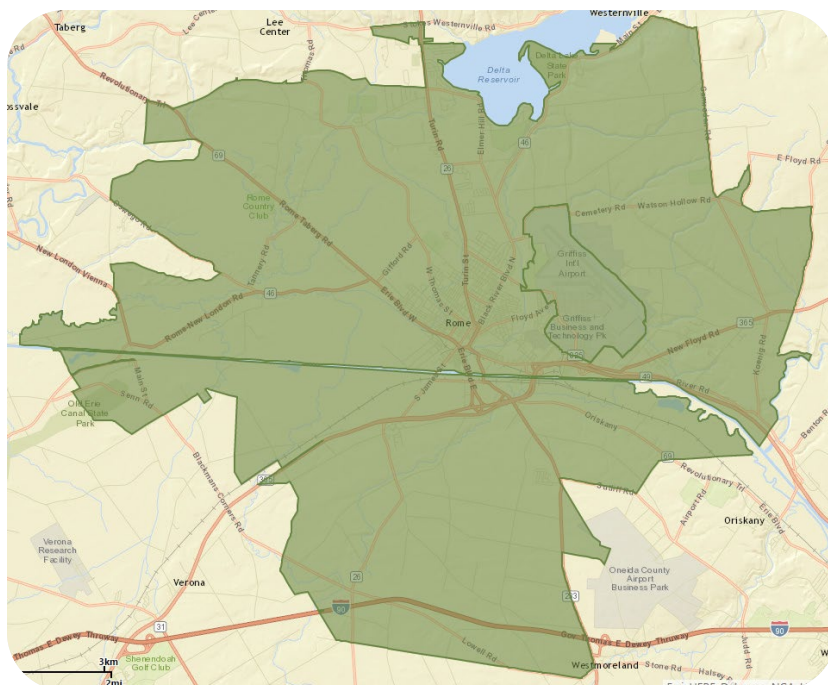


City of Rome



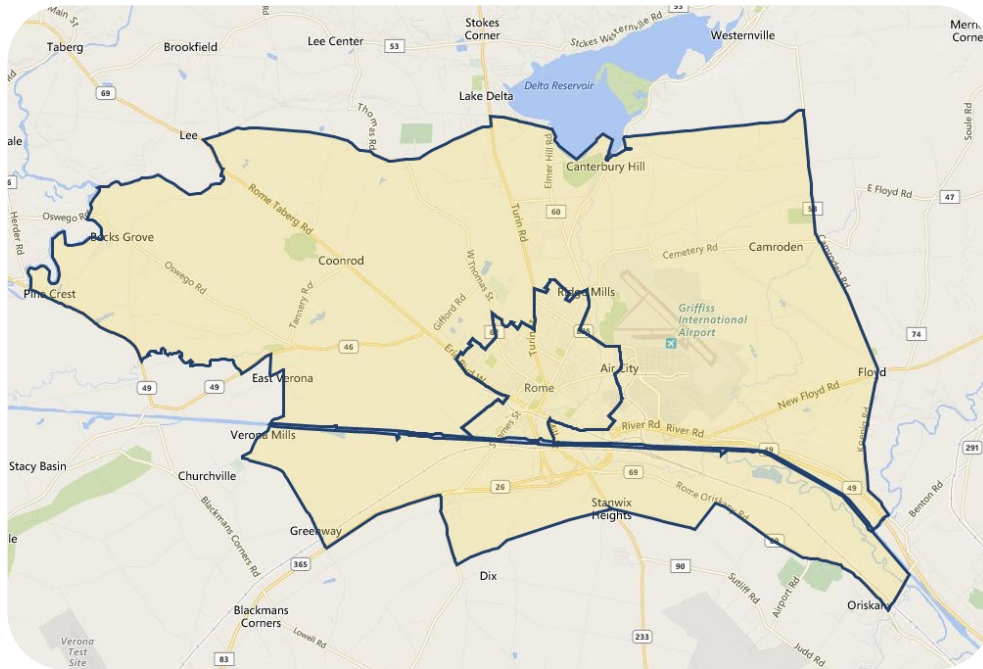
Rome Zip Code Area (Zip codes 13441 & 13440)

The area depicted in green aligns with the zip codes 13441 and 13440. Industry data provided by EMSI is presented at the zip code level and these two zip codes best represent the Rome region we are seeking to understand.

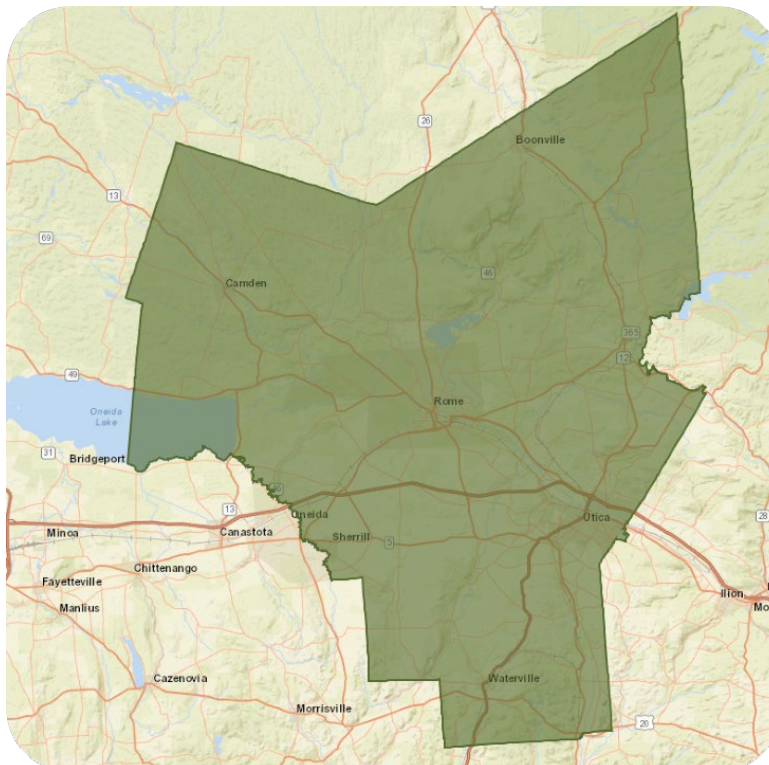


Greater Rome

This area was used with real estate data provider, CoStar, which provides details on the supply side of residential, retail, office, and industrial space.



Oneida County



Socioeconomic Profile and Trends

General demographic and socioeconomic data were reviewed to gain an understanding of past trends, existing conditions and future projections for the BOA area, Local Trade Area, City of Rome, Oneida County and New York State.

Key Findings

Important findings of the socioeconomic analysis include:

- Historic population data shows that the BOA, the Local Trade Area and the City of Rome lost population in the last five years, 2010-2015, but Oneida County and the New York State grew in population.
- While New York State will experience population growth in the coming four years, the BOA, the Local Trade Area and the City of Rome do not show the same growth pattern, and instead will shed residents between 2015 and 2020.
- Growth in median household income in the City will outpace income growth in the county.
- Rome exceeds the BOA and the Local Trade Area in the percentage of the population is 65 and over, which should bring attention to the specialty services that these cohorts currently need and will desire in the future.
- Incomes in the City of Rome are shifting from lower to higher income brackets over the course of the next five years.

Basic Demographic Trends

The following table summarizes typical demographic and socioeconomic indicators for the BOA area, Local Trade Area, City of Rome, Oneida County and the State of New York.

Of these geographies, the BOA, Local Trade Area and the City of Rome are expected to see their populations shrink in the coming four years. However, the projected degree of population loss will be less than in the previous five years, 2010-2015.

The greatest degree of negative change is projected in the Local Trade Area, where the population will decrease by 250 residents, or -1.7%. This loss is a slight rebound from loss experienced in the previous five years, 2010-2015, when the Local Trade area lost nearly 430 residents, a population decrease of almost -3%.

The BOA region will shed 16 residents between 2015 and 2020, while the City of Rome is expected to lose around 160 residents, a slight total population loss of -0.5%. Conversely, Oneida County will experience a population increase of over 1,200 residents, a gain of 0.5%, in the same timeframe. Overall, New York State will experience the largest percentage of population growth, 2.1%, or an increase of over 415,000 residents.

Reflecting the decrease in population, households appear to be declining in the BOA. The number of households decreased by ten in the last five years, and the BOA is expected to lose another seven by 2020. Loss of households in the Local Trade Area will be curbed in the coming four years, decreasing by 96, compared to a loss of nearly 140 households in the last five years. The City of Rome will lose more households in the coming four years, compared to the previous five years, with a projected decrease of 36 households between 2015 and 2020, while total households decrease by 24 2010-2015.

During 2010-2015, household formation outpaced actual population growth in Oneida County, which could indicate a few things. First, an increase of divorces during this time could lead to an increase in household formation, as well as adult children moving out from parents' or relatives' households to create their own. Household formation will

slow in the coming five years though in the county, adding 720 households by 2020. New York State will experience consistent household growth, growing by 2.2% during 2010-2015 and adding another 2.3% in the next four years.

Average household size decreased in all geographies except for the BOA. The BOA saw a nominal increase in average household size in the last five years, growing from 2.52 to 2.53. Household size will gain another .01 by 2020, bringing the average household size to 2.54. The BOA's average household size is the second largest when compared to the other geographies, following New York State, which had an average household size of 2.56 in 2015. Households in other geographies range from 2.28 to 2.36.

Owner occupied housing units in the BOA have trended downward in the last five years and will continue to decrease in the coming five years. Between 2010-2015, owner occupied housing units decreased by 13 and will decrease by another eight units by 2020. The Local Trade Area, the City of Rome and Oneida County also experienced loss in owner occupied housing units between 2010 and 2015. The Local Trade Area and the City of Rome will continue to lose owner occupied units in the next five years, while Oneida County will turn around and increase owner occupied units by 33. However, this growth is less than the loss of the previous five years, 51 housing units.

Growth in renter occupied units was consistent across all geographies in the last five years. The BOA added three rental units, and is projected to add one more by 2020. Percentage growth in the Local Trade Area was nominal 2010-2015, but still showed an increase of 14 units. Growth will be curbed in the next five years, as the Local Trade Area will lose four rental occupied units. Oneida County added the greatest percentage of units over the last five years, 5%, totaling nearly 1,500 units. Rental units will continue to grow over 2015-2020, however at a slower rate, 2.1%, or 687 units.

In 2015, Oneida County had the highest median age among the geographies at 41.7. The BOA and the Local Trade Area were tied for the lowest median age, 37.9. The BOA is the only geography that will see the median age decrease in the next five years. New York State will see the largest increase in median age, jumping from 38.7 in 2015 to 39.5 in 2020.

Basic Demographic Trends

Basic Demographics							
Population							
	2010	2015	2020	# Change 2010-2015	% Change 2010 - 2015	# Change 2015-2020	% Change 2015-2020
BOA	1,037	1,014	998	-23	-2%	-16	-1.6%
Local Trade Area	15,020	14,592	14,342	-428	-3%	-250	-1.7%
City of Rome	33,725	33,277	33,118	-448	-1%	-159	-0.5%
Oneida County	234,878	235,973	237,178	1,095	0%	1,205	0.5%
NYS	19,378,102	19,704,032	20,119,871	325,930	2%	415,839	2.1%
Households							
	2010	2015	2020	# Change 2010-2015	% Change 2010 - 2015	# Change 2015-2020	% Change 2015-2020
BOA	407	397	390	-10	-2%	-7	-1.8%
Local Trade Area	6,401	6,263	6,167	-138	-2%	-96	-1.5%
City of Rome	13,526	13,502	13,466	-24	0%	-36	-0.3%
Oneida County	93,028	94,473	95,193	1,445	2%	720	0.8%
NYS	7,317,755	7,476,368	7,650,474	158,613	2%	174,106	2.3%
Average Household Size							
	2010	2015	2020	# Change 2010-2015	% Change 2010 - 2015	# Change 2015-2020	% Change 2015-2020
BOA	2.52	2.53	2.54	0.01	0.4%	0.01	0.4%
Local Trade Area	2.29	2.28	2.27	-0.01	-0.4%	-0.01	-0.4%
City of Rome	2.28	2.26	2.25	-0.02	-0.9%	-0.01	-0.4%
Oneida County	2.38	2.36	2.36	-0.02	-0.8%	0.00	0.0%
NYS	2.57	2.56	2.55	-0.01	-0.4%	-0.01	-0.4%
Owner Occupied Housing Units							
	2010	2015	2020	# Change 2010-2015	% Change 2010 - 2015	# Change 2015-2020	% Change 2015-2020
BOA	229	216	208	-13	-6%	-8	-3.7%
Local Trade Area	2,906	2,754	2,662	-152	-5%	-92	-3.3%
City of Rome	7,774	7,586	7,464	-188	-2%	-122	-1.6%
Oneida County	62,006	61,955	61,988	-51	0%	33	0.1%
NYS	3,897,837	3,905,258	3,943,122	7,421	0%	37,864	1.0%
Renter Occupied Housing Units							
	2010	2015	2020	# Change 2010-2015	% Change 2010 - 2015	# Change 2015-2020	% Change 2015-2020
BOA	178	181	182	3	2%	1	0.6%
Local Trade Area	3,495	3,509	3,505	14	0%	-4	-0.1%
City of Rome	5,752	5,916	6,002	164	3%	86	1.5%
Oneida County	31,022	32,518	33,205	1,496	5%	687	2.1%
NYS	3,419,918	3,571,110	3,707,352	151,192	4%	136,242	3.8%
Median Age							
	2010	2015	2020	# Change 2010-2015	% Change 2010 - 2015	# Change 2015-2020	% Change 2015-2020
BOA	38.1	37.9	37.4	-0.2	-1%	-0.5	-1.3%
Local Trade Area	37	38	38	0.6	2%	0.5	1.3%
City of Rome	40.2	40.7	41.0	0.5	1%	0.3	0.7%
Oneida County	40.8	41.7	42.2	0.9	2%	0.5	1.2%
NYS	37.9	38.7	39.5	0.8	2%	0.8	2.1%

Source: ESRI



Annual growth rate projections for the above indicators are summarized in the following table. The number of households and owner occupied households are projected to decrease at a faster rate in the BOA than the other comparison geographies, however, overall population decline in the Local Trade Area will slightly outpace decline in the BOA. The City of Rome will experience minimal population loss over the next five years, shrinking by -0.5%. Income in the City will grow at the second fastest rate of all geographies, at 10%, however, it still trails the income growth in New York State as a whole, 15%.

Annual Projected Growth Rates from 2015 to 2020				
	Population	Households	Owner HHs	Median HH Income
BOA	-1.6%	-1.8%	-3.7%	6.3%
Local Trade Area	-1.7%	-1.5%	-3.3%	9.4%
City of Rome	-0.5%	-0.3%	-1.6%	10.1%
Oneida County	0.5%	0.8%	0.1%	8.8%
NYS	2.1%	2.3%	1.0%	15.0%

Source: ESRI

Median household incomes for 2015 and projected incomes for 2020 are shown below. The City of Rome is anticipated to experience a 10% gain in household income, or an additional \$4,198, over the next five years. In 2015, the disparity between the BOA's household income and the City of Rome's household income was \$4,822. New York State's overall household income will see the largest percentage gain of all geographies, 15%, or an additional \$8,718.

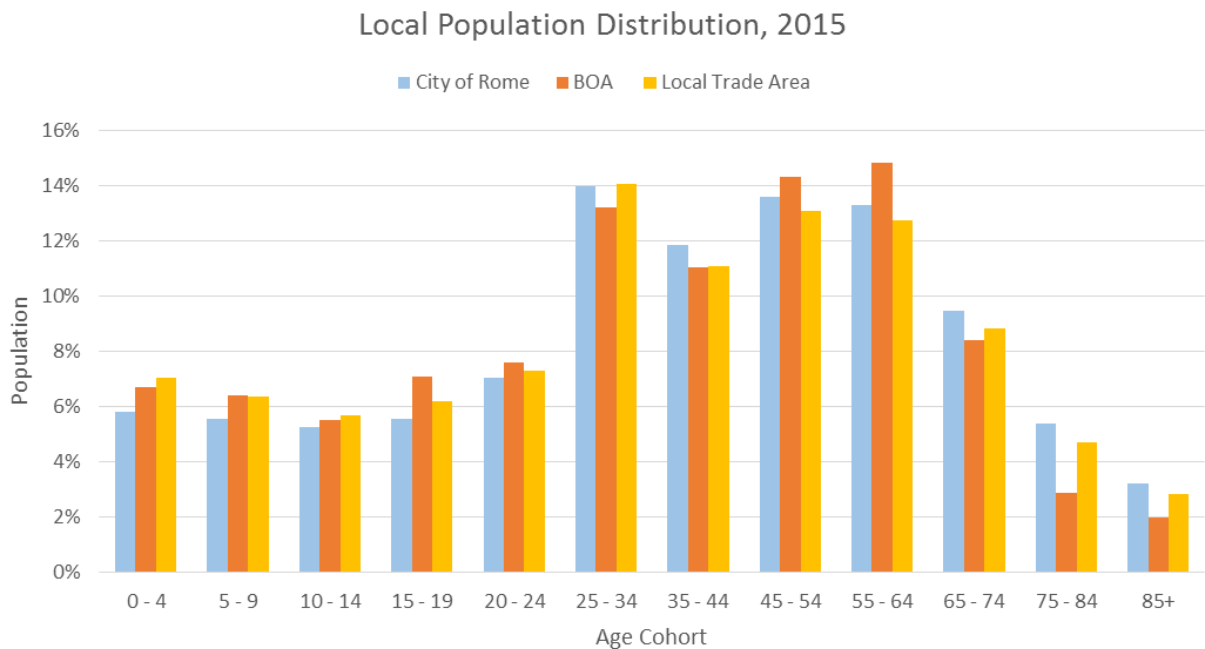
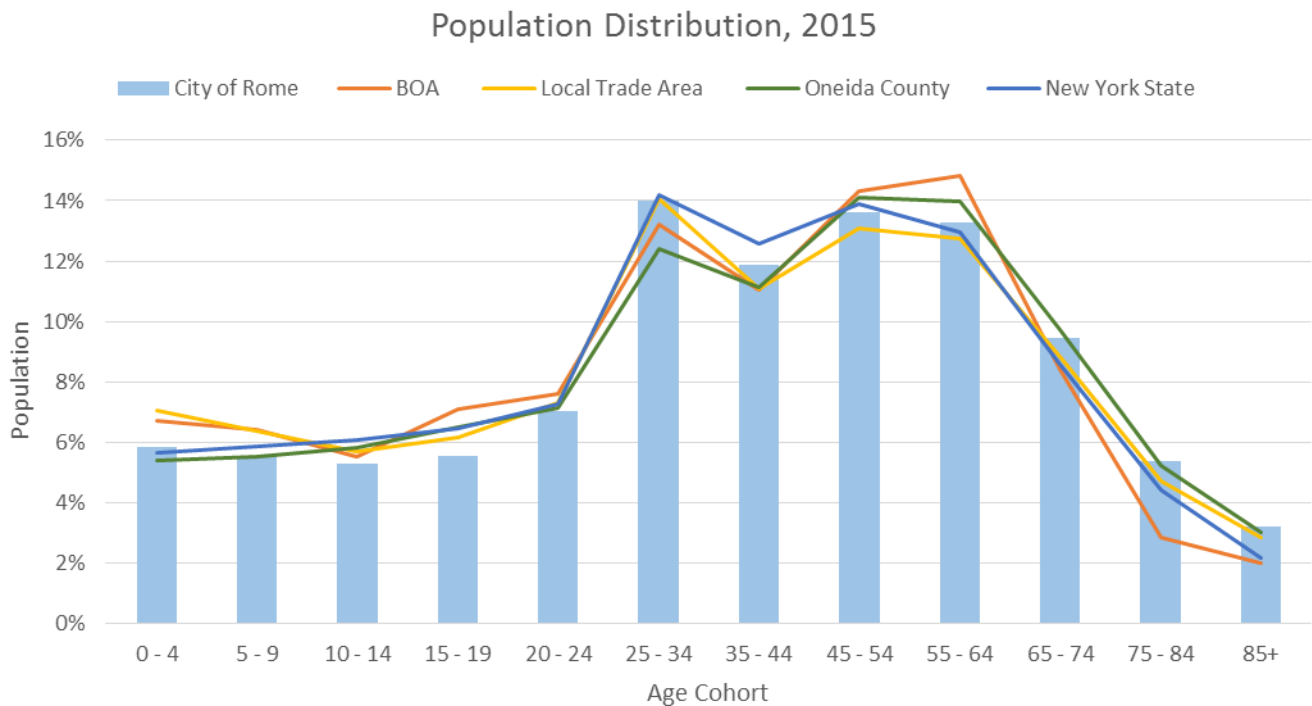
Median Household Income				
	2015	2020	# Change	% Change
BOA	\$ 36,759	\$ 39,086	\$ 2,327	6.3%
Local Trade Area	\$ 34,270	\$ 37,491	\$ 3,221	9.4%
City of Rome	\$ 41,581	\$ 45,779	\$ 4,198	10.1%
Oneida County	\$ 50,361	\$ 54,781	\$ 4,420	8.8%
NYS	\$ 58,048	\$ 66,766	\$ 8,718	15.0%

Source: ESRI

Age Distribution

A population's age distribution is an indicator for current and future demand of goods and services that cater to specific age cohorts. The graph below shows current age distribution in the City of Rome, with trend lines indicating how this compares to age distribution in the comparison geographies. The second graph hones in on the area around the BOA itself for a clearer look at the local population distribution.

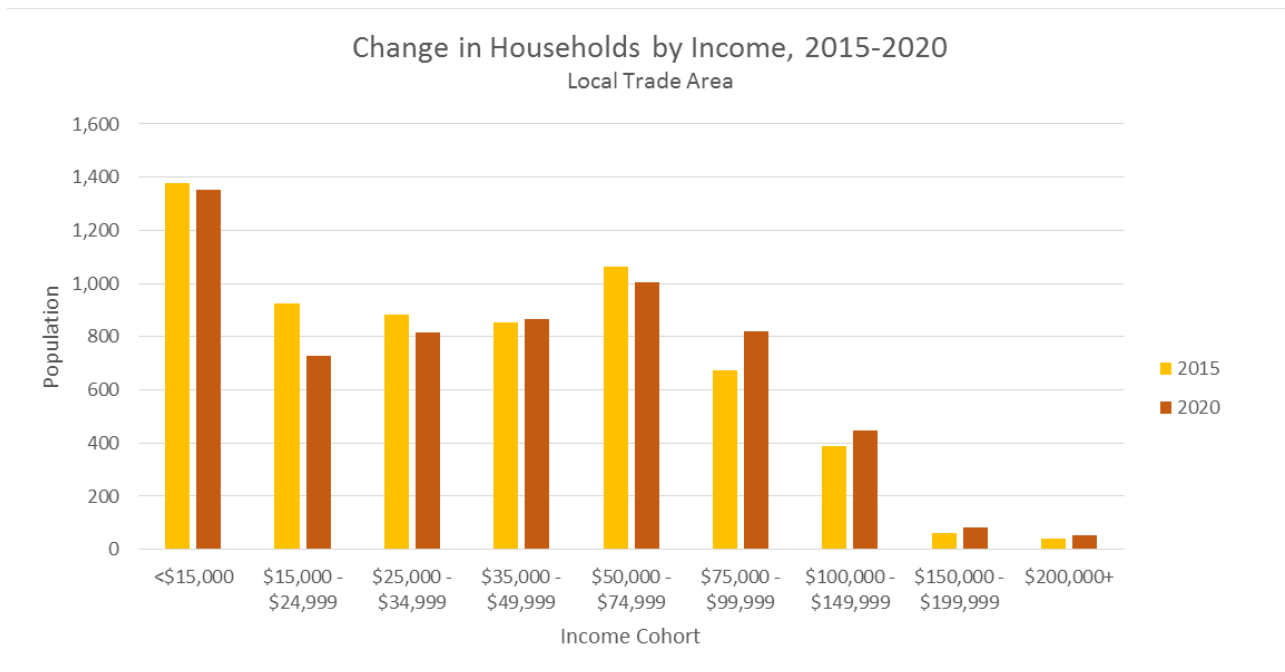
Two cohorts are tied for the largest percentage of residents in the City, 25-34 year olds and 45-54 year olds, both comprising 14% of the total population. The cohort of 55-64 year olds follows close behind, making up 13% of the population, while 35-44 year olds make up 12%. Both the BOA and the Local Trade Area contain slightly higher percentages of young children and infants than the City of Rome. The BOA's population stands out as having a greater percentage of baby boomers, aged 55-64, than the city or the Local Trade Area. However, looking towards older cohorts, Rome exceeds the BOA and the Local Trade Area in the percentage of the population that is 65 and over. Understanding the services that these cohorts currently desire, and will need in the coming years, will better prepare regions to support an aging population.



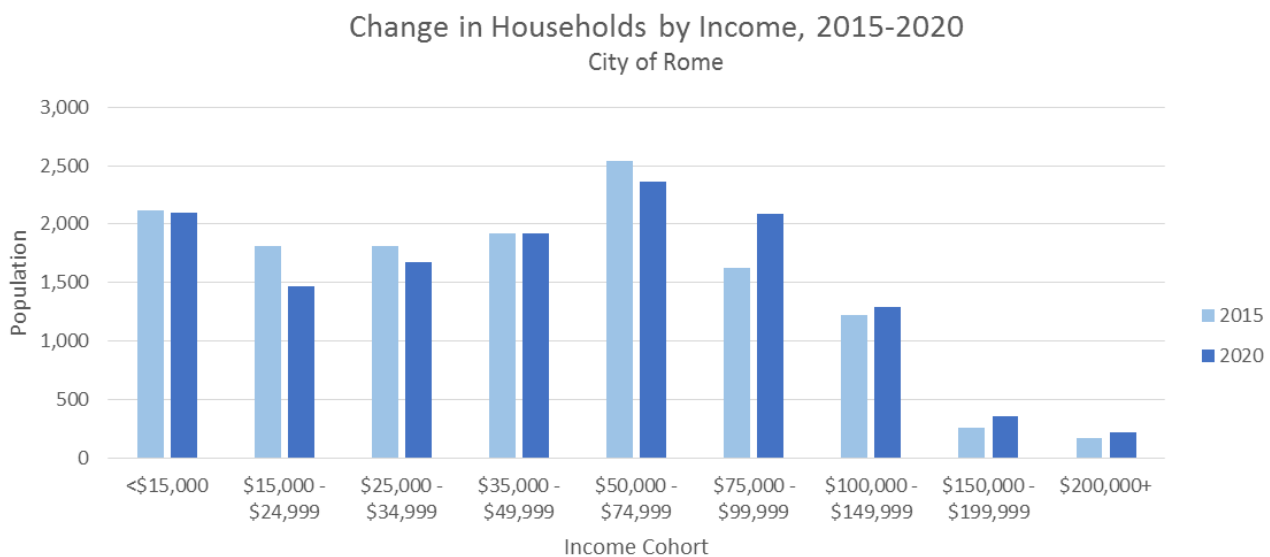
Household Income Distribution

The largest income cohort in the Local Trade Area is <\$15,000, capturing 22% of the total population in 2015, with a nominal decrease projected for 2020. The next largest income cohort in 2015 was \$50,000-\$74,999. This cohort will also decrease in the next five years, to include 16% of the Local Trade Area's population. The greatest change between 2015 and 2020 is projected to occur in the \$15,000-\$24,999 income bracket, shrinking by nearly 3% over

the course of five years. Incomes appear to be on the rise in the Local Trade Area, with lower incomes brackets shrinking and higher income brackets growing over 2015-2020.



The City of Rome has overall higher incomes than the Local Trade Area. In 2015, the largest income cohort in the City was \$50,000-\$74,999. Like the Local Trade Area, incomes are projected to grow in the coming five years, with the top four income brackets growing in size, while the bottom three income brackets are projected to shrink. The segment that is projected to have the largest growth captures earners who make between \$75,000 and \$99,999, gaining 3.5% of the population. The segment that is expected to lose the greatest percentage of earners is \$15,000-\$24,999.



General Economic Outlook

Key Findings

- The Government sector currently accounts for the greatest proportion of Oneida County's economy although public employment is expected to decline slightly in the near future.
- Health Care and Social Assistance currently ranks second in terms of jobs followed by retail trade. The Health Care industry is projected to see significant growth while the retail sector is expected to decline over the next five years.
- Accommodation and Food Services as well as Professional, Scientific, and Technical Services are the only other sectors expected to experience any significant growth.

Economic Base

The greatest proportion of the county's jobs are in the Government sector, which employs 26,500 people and provides earnings of nearly \$2 billion annually. The government provides among the highest average earnings per worker at nearly \$75,000. Health Care and Social Assistances is the next largest sector with over 20,000 jobs or 19% of the county's jobs. Retail Trade ranks third with just over 11,000 jobs or 11% of all jobs in the county.

Oneida County - Economic Base					
Sector	Jobs	Earnings	Jobs %	Earnings %	Average Earnings
Government	26,506	\$1,985,564,460	25%	35.6%	\$74,910
Health Care and Social Assistance	20,198	\$928,259,684	19%	16.7%	\$45,958
Retail Trade	11,304	\$345,857,184	11%	6.2%	\$30,596
Manufacturing	8,516	\$542,843,904	8%	9.7%	\$63,744
Accommodation and Food Services	7,414	\$130,664,336	7%	2.3%	\$17,624
Finance and Insurance	5,737	\$391,234,715	5%	7.0%	\$68,195
Transportation and Warehousing	3,618	\$184,434,786	3%	3.3%	\$50,977
Professional, Scientific, and Technical Services	3,428	\$227,416,948	3%	4.1%	\$66,341
Educational Services	3,265	\$131,798,255	3%	2.4%	\$40,367
Administrative and Support and Waste Management and Remediation Services	3,111	\$106,402,422	3%	1.9%	\$34,202
Other Services (except Public Administration)	2,945	\$78,325,220	3%	1.4%	\$26,596
Construction	2,412	\$135,207,072	2%	2.4%	\$56,056
Wholesale Trade	2,304	\$135,290,880	2%	2.4%	\$58,720
Information	1,558	\$80,816,576	1%	1.4%	\$51,872
Arts, Entertainment, and Recreation	1,332	\$38,976,984	1%	0.7%	\$29,262
Management of Companies and Enterprises	665	\$52,798,340	1%	0.9%	\$79,396
Real Estate and Rental and Leasing	612	\$23,500,800	1%	0.4%	\$38,400
Crop and Animal Production	335	\$8,957,900	0%	0.2%	\$26,740
Utilities	249	\$34,459,608	0%	0.6%	\$138,392
Unclassified Industry	217	\$5,166,119	0%	0.1%	\$23,807
Mining, Quarrying, and Oil and Gas Extraction	136	\$6,056,624	0%	0.1%	\$44,534
Total	105,864	\$5,574,032,817			\$52,654

Source: EMSI

Employment Growth

Employment growth in both Rome and Oneida County is expected to lag behind the rate in Upstate New York, New York State as a whole, and the nation overall. Over the next ten years, Rome's employment base is projected to increase by 2.4%, adding 332 jobs. This exceeds the pace of job growth projected in Oneida County, which is only 1.1% over ten years.

Employment Growth Summary					
	2015 Jobs	2025 Jobs	Change	% Change	Average Earnings
Rome Zip Code Area	13,991	14,323	332	2.4%	\$51,885
Oneida County	105,864	107,027	1,163	1.1%	\$52,531
Upstate New York	2,666,989	2,785,253	118,264	4.4%	\$57,673
NYS	9,247,504	10,099,882	852,378	9.2%	\$81,879
US	145,244,709	161,715,772	16,471,063	11.3%	\$63,246

Source: EMSI

Employment by Industry

The following table provides additional detail on the industries projected to grow in Oneida County. Health Care and Social Assistance is projected to see the greatest increase in employment with 2,660 new jobs by 2025 – an increase of 13%. Accommodation and Food Services ranks second in projected growth with 942 new jobs anticipated over the next 10 years. Several sectors will see significant declines including Government, Retail Trade, Manufacturing, Finance and Insurance, and Information.

Oneida County Projected Employment Change by Industry					
NAICS Code	Description	2015 Jobs	2025 Jobs	Change	% Change
90	Government	26,506	25,664	(842)	-3%
62	Health Care and Social Assistance	20,198	22,858	2,660	13%
44	Retail Trade	11,304	10,812	(492)	-4%
31	Manufacturing	8,516	7,980	(536)	-6%
72	Accommodation and Food Services	7,414	8,356	942	13%
52	Finance and Insurance	5,737	5,223	(514)	-9%
48	Transportation and Warehousing	3,618	3,532	(86)	-2%
54	Professional, Scientific, and Technical Services	3,428	3,728	300	9%
61	Educational Services	3,265	3,365	100	3%
56	Administrative and Support and Waste Management and Remediation Services	3,111	3,126	15	0%
81	Other Services (except Public Administration)	2,945	2,989	44	1%
23	Construction	2,412	2,385	(27)	-1%
42	Wholesale Trade	2,304	2,268	(36)	-2%
51	Information	1,558	1,103	(455)	-29%
71	Arts, Entertainment, and Recreation	1,332	1,449	117	9%
55	Management of Companies and Enterprises	665	633	(32)	-5%
53	Real Estate and Rental and Leasing	612	481	(131)	-21%
11	Crop and Animal Production	335	317	(18)	-5%
22	Utilities	249	310	61	24%
99	Unclassified Industry	217	302	85	39%
21	Mining, Quarrying, and Oil and Gas Extraction	136	147	11	8%
	Total	105,864	107,027	1,163	1.0%

Source: EMSI

Unemployment by Industry

The following table shows the industries with the highest levels of unemployment (as of February 2016). The greatest unemployment figures are in the Government, Accommodation and Food Services, and Retail Trade sectors. While the overall unemployment rate in the county is 4.5%, some industries have especially high rates including Arts, Entertainment, and Recreation; Construction (although the season impacts this rate); and Mining, Quarrying, and Oil and Gas Extraction.

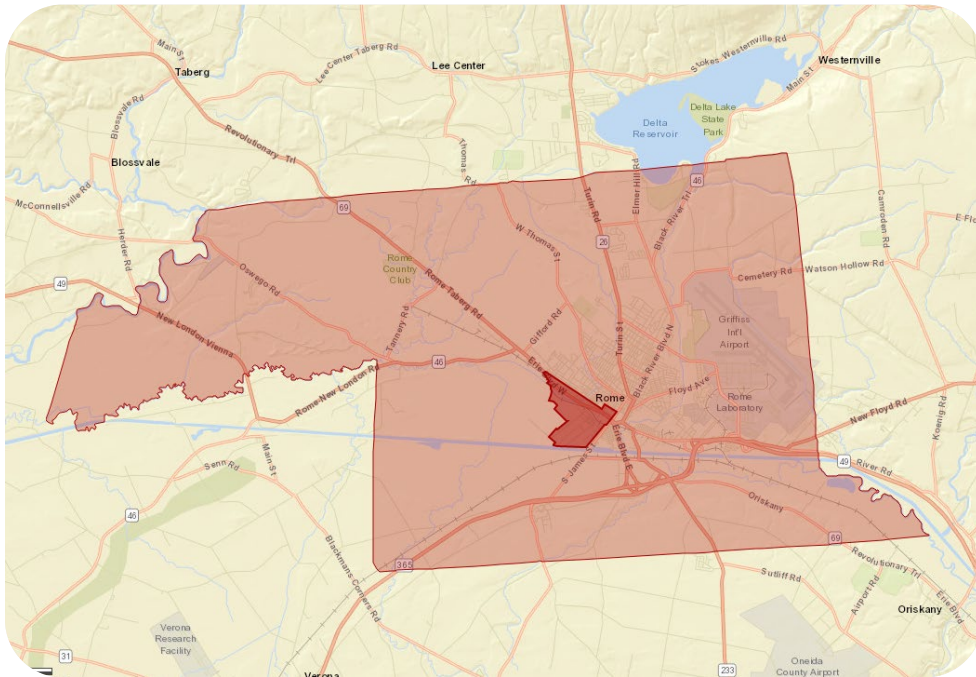
Oneida County Unemployment by Industry					
NAICS Code	Description	2016 Jobs	February 2016 Unemployment	Estimated Unemployment Rate	% of Regional Unemployment
90	Government	26,380	686	2.5%	14%
72	Accommodation and Food Services	7,865	638	7.5%	13%
99	No Previous Work Experience/Unspecified	228	601	72.5%	12%
44	Retail Trade	11,123	564	4.8%	11%
31	Manufacturing	8,658	381	4.2%	8%
23	Construction	2,384	350	12.8%	7%
62	Health Care and Social Assistance	20,707	343	1.6%	7%
56	Administrative and Support and Waste Management and Remediation Services	3,117	318	9.3%	6%
71	Arts, Entertainment, and Recreation	1,268	215	14.5%	4%
52	Finance and Insurance	5,732	193	3.3%	4%
48	Transportation and Warehousing	3,675	155	4.0%	3%
54	Professional, Scientific, and Technical Services	3,472	130	3.6%	3%
81	Other Services (except Public Administration)	2,930	130	4.2%	3%
51	Information	1,563	74	4.5%	1%
21	Mining, Quarrying, and Oil and Gas Extraction	152	72	32.1%	1%
42	Wholesale Trade	2,288	69	2.9%	1%
61	Educational Services	3,135	67	2.1%	1%
53	Real Estate and Rental and Leasing	606	28	4.4%	1%
11	Crop and Animal Production	338	16	4.5%	0%
55	Management of Companies and Enterprises	651	5	0.8%	0%
22	Utilities	258	2	0.8%	0%
	Total	106,530	5,037	4.5%	

Source: EMSI

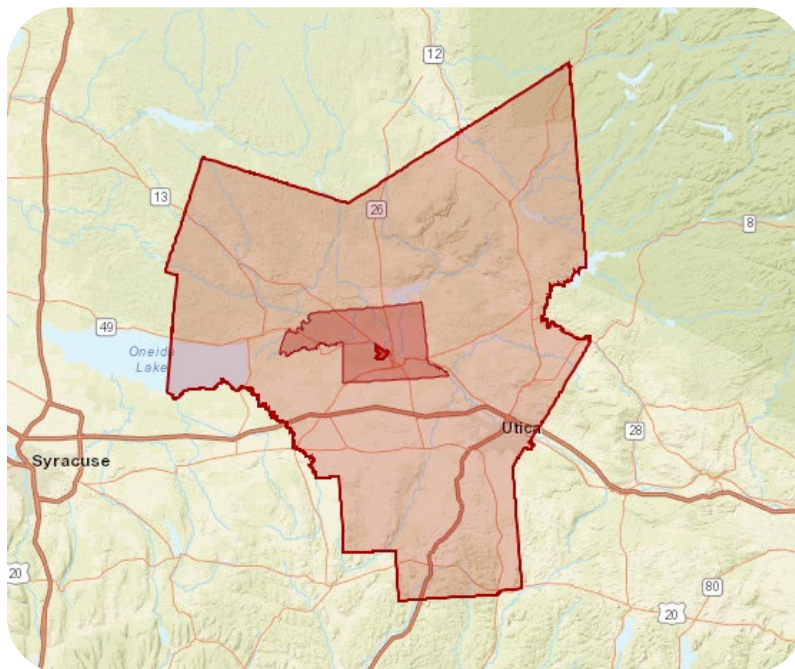
Residential

The residential market analysis compares existing conditions and projected trends in residential development in the BOA, City of Rome, and county. The multi-family residential market compares the BOA, the Greater Rome region and the county. This analysis will help to identify potential development types that will serve currently unmet needs in the City of Rome area, as well as be feasible under current real estate market conditions.

BOA Site (darker shading) within the City of Rome (lighter shading)



Oneida County, encompassing City of Rome and the BOA



Takeaway Findings

- **Housing is affordable, but quality is lacking.** Housing prices are relatively affordable for the state and for the region, contributing to the region's overall affordable standard of living. Although prices have remained stable, this also means that home values have not greatly appreciated over the last decade, limiting real estate growth. In the City of Rome, the average cost of living is approximately \$49,000, 24% less than the State of New York average cost of living.
- **There is current and expected future demand for more modern housing in Rome, especially downtown.** The housing market has been fairly stagnant for a number of years in the city and projections indicate income levels and population will not increase in any significant manner that would change the housing market; however, there are three factors that are likely to drive demand for new housing in the future.
 - **New Demand from Marcy Nanotech workers.** The Marcy Nanocenter project will have a transformative effect on the local housing market as it will attract hundreds of high-wage workers looking for upscale modern housing units. These workers are generally expected to be younger professionals with a preference for high-end apartments in downtown locations and areas walkable to various amenities such as restaurants and entertainment options. While Utica is the closest urban market to the project, Rome is well within commuting distance to the Nanocenter, and has the potential to capture a significant share of this new housing demand.
 - **Pent-up Demand from local residents and workers.** The existing housing stock does not align with current housing preferences and needs. The Utica/Rome market has a "backlog" of demand for more modern apartment units. In just the past few years this market demand has been demonstrated as developers of high-end apartments in Utica have found strong demand and the ability to achieve premium price points. More recent high-end apartment projects in Rome have shown that the demand backlog for this type of housing extends to the Rome market. This comes after years of little to no growth in the city's apartment inventory, which has led to the "pent-up" demand.

It should be noted specifically, that there is an opportunity for Rome to capture high-tech workers (present and future) at Griffiss Business & Technology Park, many of whom do not live in Rome due to the lack of modern housing and entertainment options.
 - **Replacement demand of old and obsolete housing.** The City's housing stock is old and continuing to grow more obsolete. Nearly half of the city's housing was built prior to 1950 while in the BOA itself over half of the homes are greater than 75 years old. Only about 5% of housing in the city was built after 1990. As homes continue to age they become more obsolete and less desirable. Additionally, these types of homes that have the greatest upkeep and renovation needs are owned by those least able to afford those kinds of improvements. The continued aging of the housing stock will therefore increase demand for newer housing.
- **Mid- to upper-scale apartments will have greatest demand.** The greatest demand for housing will be for apartments with mid-level to upscale finishes and fixtures that are found in the downtown area and other places walkable to shops and entertainment options. The primary driver of this demand, indicated above, is the Marcy Nanotech development. Past experience with GlobalFoundries in Saratoga County has shown that these types of workers look for modern, high-quality rental and are willing to pay a premium for these types of units. Achievable rental rates are likely to be up to \$2,000 per month for an upscale 2-bedroom unit, although demand is anticipated for more mid-range units as well (in the roughly \$1,200 to \$1,500 per

month range for a 2-bedroom unit). The owner-occupied market is less likely to be impacted significantly in the near future, but will strengthen as workers start to put down roots in the area.

Demand for apartments will also be driven by shifting preferences, especially among young professionals and baby boomers. Young professionals increasingly prefer rental units in downtown areas rich in amenities. This preference is driven, in part, by trends in waiting longer to get married and having children, difficulty in getting mortgages and making a down payment, and more mobility overall.

- **Some townhouse demand also expected.** Following apartments, townhouses are likely to see future demand from the age 55+ cohort and young professionals. Two-story townhouses are likely to be in demand by young professionals, while those in the 55+ group will have a greater preference for single story units. Interviews suggested that townhouses in the \$100 to \$110 per square foot range would be feasible (about \$250,000 on average).
- **New entertainment options needed downtown to support residential market.** According to market analysis interviews, Rome's lack of nightlife and entertainment options is a detriment to the downtown housing market. For example, many of the engineers that work at Griffiss Business & Technology Park live in Syracuse for this reason. To capture new residents downtown, including future Marcy Nanotech workers, new entertainment options will be needed including music venues, bars, and restaurants. Additionally, year round events would help promote downtown as a vibrant location that is attractive to live.
- **New age 55+ housing units will be needed.** There is both current unmet demand and future demand for age 55+ housing including higher-end apartment units that are walkable to shops and amenities. Independent living units, including senior apartments, are also likely to be in demand. This specific housing demand will be driven by a 10% increase in individuals ages 65+ in the City of Rome in the coming five years.

Housing Stock Trends and Conditions

The Rome housing market can be categorized as stable, based on the constancy of home prices over the last decade, even in times of national economic fluctuation. Fortune Builder reports that as of 2015, just over half of all Rome homeowners had lived in their current properties for at least five years, reaching above the 39% of New York State residents that can say the same.

Housing prices are relatively affordable for the state and for the region, contributing to the region's overall affordable standard of living. The average cost of living is approximately \$49,000/year, 24% less than the New York average cost of living.² As of Summer 2015, the average home sales price in Rome was \$111,641, falling greatly below the New York State average of \$532,891 and the national average sales price \$307,586. Although prices have remained stable, this also means that home values have not greatly appreciated over the last decade, limiting real estate growth.

Based on the latest data from the real estate database RealtyTrac, there are currently 302 properties in Rome that are considered to be in distress (this includes properties in default, that are being auctioned or that are bank owned), 189 homes for sale on the market and another 238 that were recently sold. RealtyTrac also reports that home sales during March 2016 were up by a third compared to the previous month, and up 300% compared to

² Rome, NY Real Estate Market, <http://www.fortunebuilders.com/rome-real-estate-and-market-trends/>

March of 2015.³ A search on Zillow.com shows that the highest listing in Rome currently sits at \$495,000, while the lowest are those properties up for auction, starting at \$500. Houses in distress sell for over 70% less than a typical home, and could lead to opportunities for investors. However, if properties are not maintained or secured, vacant housing can also contribute to neighborhood blight.

In February of 2016, Rome was selected by the U.S. Department of Housing and Urban Development (HUD) as one of the municipalities in New York State to receive a Community Needs Assessment (CNA) from the governmental organization. The CNA kick starts a collaboration between different local and government partners to evaluate the region's current economic and demographic status, while strategically planning future endeavors to boost economic activity and job creation.⁴ The community hopes the CNA will address issues like the high portion of people who commute in to Rome to work, support and maintain the City's existing housing stock while dealing with issues of blight across the city and generally open up opportunities for capitalizing on economic development within the region. There was a call from one resident to develop more housing options, especially condos and townhouses. The Executive Director of the Genesis Group will chair the project, as he did when the CNA occurred in Utica in 2014. While the community is excited about the CNA process, the greater goal of the initiative is to build a relationship with HUD, which can lead to further funding opportunities in Rome's downtown in the future.

Occupancy & Vacancy Rates

The chart below outlines the status and trends of housing units in the City of Rome, which contained a total of 15,011 units in 2015. In 2015, 51% of housing was owner-occupied, another 39% was renter-occupied, and the remaining 10% was vacant.

The number of overall occupied units has remained flat in Rome, but the number of owner-occupied units is trending downwards, while rental units are on the rise. Owner-occupied units are expected to decrease from 7,774 in 2010 to 7,464 units in 2020, a loss of 310 units, while rental occupied units are expected to see an increase of 250, reaching from 5,752 to 6,002. Vacant units are also on the rise, with an increase of 325 units projected between 2010 and 2020. Overall, 265 units are expected to be added to the housing market in Rome over the course of 2010 to 2020.

Based on 2010 Census figures, the overall vacancy rate reflects the vacancy rate of homeowner and rentals, all totaling around 9%.

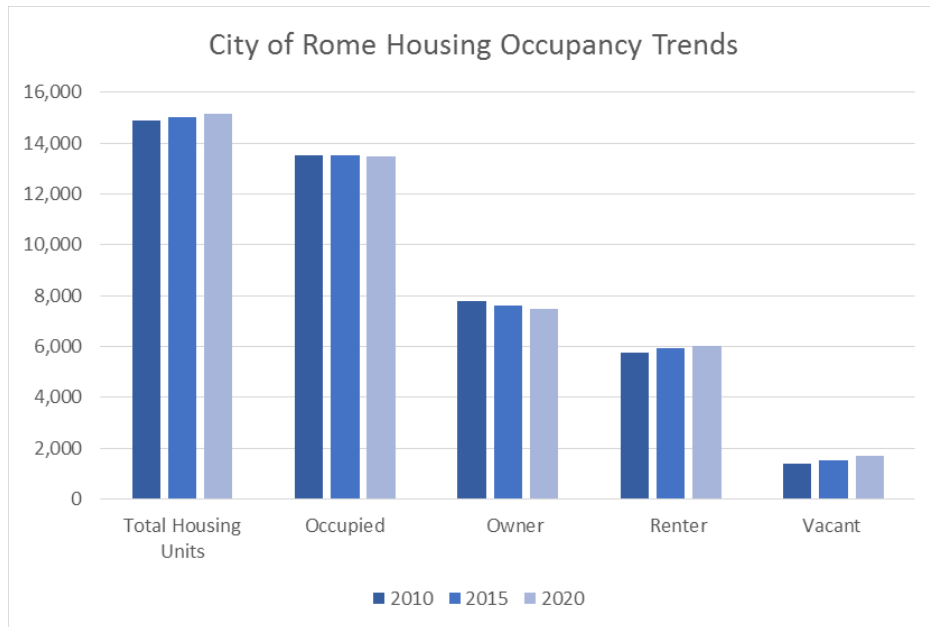
City Occupancy Trends			
	2010	2015	2020
Total Housing Units	14,893	15,011	15,158
Occupied	13,526	13,502	13,466
Owner	7,774	7,586	7,464
Renter	5,752	5,916	6,002
Vacant	1,367	1,509	1,692
Vacancy Rate (Own & Rent)	9%	10%	11%
Homeowner Vacancy Rate*	9%	N/A	N/A
Rental Vacancy Rate*	9%	N/A	N/A

Source: ESRI

* Includes For Migrant Workers, Seasonal, Sold-not occupied, and Other categories. Some properties in Other and Sold-not occupied include those in foreclosure or tied up in other legal proceedings (about 553 units in 2010).

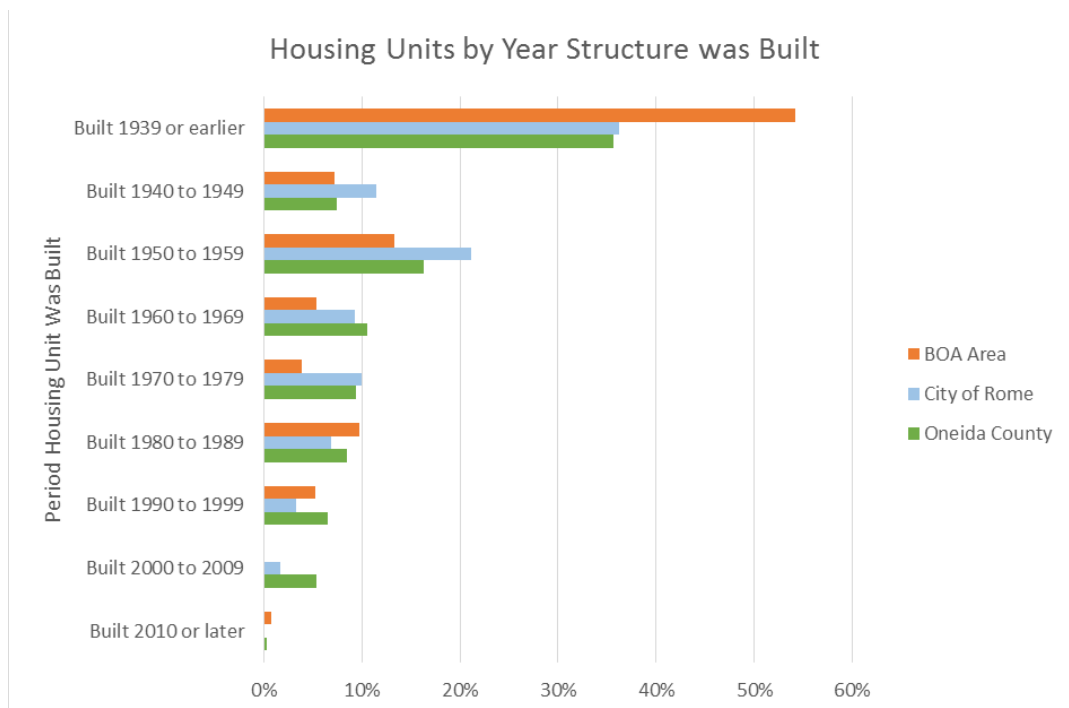
³ Rome Real Estate Statistics & Foreclosure Trends Summary, <http://www.realtytrac.com/statsandtrends/ny/oneida-county/rome>

⁴ Vanno, Philip, "HUD's community needs assessment could help transform Rome's future," *Observer-Dispatch*, March 3, 2016. <http://www.uticaod.com/article/20160303/NEWS/160309810>



Age of Housing Stock

The age of an area's housing stock is an important indicator because it can provide a high-level estimate of the quality of the housing in an area. Although well-maintained older homes can contribute to the preservation of an area's local history and community character, older houses also tend to be costlier to maintain and have more structural and environmental concerns. In many communities, substandard older housing is often occupied by those residents that are least able to afford the regular maintenance that an older home requires.



The housing stock in the BOA is considerably older than the city's or county's housing options. Over half of the BOA's homes are greater than 75 years old. Just over a third of homes in the city and a third of all homes in the

county are of a similar age. Housing development in the last fifteen years was minimal, with 4 units added in the BOA (+0.8%), 270 units in the city (+2.1%) and 5,777 in the county (+5.2%). With little new housing being added across the city, maintenance of older properties, including health and safety hazards will be key in ensuring adequate housing options for city residences.

Multi-Family and Rental Market

The table to the right shows an overview of the multi-family housing in the City of Rome and Oneida County. Due to the limited size of the BOA, there is not an abundance of activity to report in the table. Over the past five years, the average vacancy rate for rental units in the Greater Rome area was 5.1%, mirroring the vacancy rate in the county. Generally, a vacancy rate under 10% indicates a healthy rental market and a vacancy rate of around 5% is typically considered a strong market. Over 12 months, Greater Rome absorbed 15 units, while the county absorbed 75.

Rents in the Greater Rome Area range from \$426 for a studio apartment to \$843 for a 3+ bedroom unit. In Oneida County, a typical asking rent for a studio apartment reaches \$436, while a 3+ bedroom unit runs for about \$853 per month. There has been no construction activity in the last 12 months in the Greater Rome area, although there has been other activity throughout Oneida County, with 79 construction starts, 99 units under construction and 79 units delivered to market within the last year. Sales in Greater Rome comprise a quarter of all sales in the county according to sales volume of units. The actual sales price per unit in Greater Rome is more than \$11,000 less than asking prices, while the difference between sales price per unit and asking price per unit in the county reaches \$7,000. Lastly, the capitalization rate in Greater Rome exceeds the county by more 2%.

There are currently 188 multi-family buildings in Oneida County, an increase of only four buildings since 2007. The total number of units has grown by 283 between 2007 and 2015. The units built in the last eight years account for around 3% of current inventory, which indicates a relatively older supply of rental units. The average square feet per unit has remained relatively stable, around 775 square feet. The largest jump in average square feet occurred between 2014 and 2015. Vacancy rates have declined over time from 8.8% to 4.0% in 2015 – showing recovery since the housing market collapse in 2008.

Multifamily Snapshot		
	Greater Rome	Oneida County
Leasing Units	5-Year Average	5-Year Average
Vacant Units	82	249
Vacancy Rate	5.1%	5.0%
12 Mo. Absorption Units	15	75
Rents	5-Year Average	5-Year Average
Studio Asking Rent	\$ 426	\$ 436
1 Bed Asking Rent	\$ 559	\$ 585
2 Bed Asking Rent	\$ 703	\$ 754
3+ Bed Asking Rent	\$ 843	\$ 853
Concessions	2.1%	1.8%
Inventory in Units	5-Year Average	5-Year Average
Existing Units	2,230	8,295
12 Mo. Construction Starts	0	79
Units Under Construction	0	99
12 Mo. Deliveries	0	79
Sales	5-Year Average	5-Year Average
Sale Price Per Unit	\$ 22,560	\$ 18,912
Asking Price Per Unit	\$ 33,842	\$ 26,178
Sales Volume (Mil.)	\$ 2.5	\$ 10.0
Cap Rate	14.8%	12.4%

Source: CoStar

Multi-Family Inventory and Vacancy - Oneida County					
Year	Buildings	Total Units	Avg. Square Feet	Vacant Units	Vacancy Rate
2015	188	8,499	783	206	4.0%
2014	186	8,274	775	238	4.8%
2013	185	8,240	775	213	4.3%
2012	185	8,240	775	252	5.1%
2011	185	8,240	775	322	6.5%
2010	185	8,240	775	349	7.1%
2009	184	8,216	775	398	8.1%
2008	184	8,216	775	409	8.3%
2007	184	8,216	775	431	8.8%

Source: CoStar

In the Greater Rome region, the number of multi-family buildings has remained stable over the last nine years at 36. The number of vacant units has notably declined in the same time period, by nearly 70%. Correspondingly, vacancy rates dramatically fell from over 10% in 2007 or 3.5% in 2015.

Multi-Family Inventory and Vacancy - Greater Rome					
Year	Buildings	Total Units	Avg. Square Feet	Vacant Units	Vacancy Rate
2015	36	2,195	708	56	3.5%
2014	36	2,195	708	63	3.9%
2013	36	2,194	708	51	3.1%
2012	36	2,194	708	100	6.2%
2011	36	2,194	708	134	8.3%
2010	36	2,194	708	140	8.6%
2009	36	2,194	708	162	10.0%
2008	36	2,194	708	167	10.3%
2007	36	2,194	708	174	10.7%

Source: CoStar

After little activity in the previous three years, 176 multi-family units were developed over 2014 and 2015. Another 24 were delivered to the market in 2010. The annual average from 2007 through 2015 was 22 units delivered annually. There were no multi-family deliveries in Greater Rome or the BOA over the same time frame.

Multi-Family Deliveries	
	Oneida County
Year	Units
2015	143
2014	33
2013	-
2012	-
2011	-
2010	24
2009	-
2008	-
2007	-

Source: CoStar

The table below shows how asking rents have changed from 2007 to 2015 in Oneida County and Greater Rome based on CoStar data. During this time the asking rent increased by nearly \$100 in the county (+\$0.14 per square foot) or about 18%. In Greater Rome, rent increased by just over \$110 (+0.17) or nearly 22%.

Multi-Family Rents - Oneida County			
Year	Asking Rent	Asking Rent Per SF	Asking Rent Growth (Annual Change)
2015	\$698	\$0.91	3.3%
2014	\$675	\$0.88	1.5%
2013	\$665	\$0.87	4.5%
2012	\$636	\$0.83	2.7%
2011	\$620	\$0.81	1.0%
2010	\$613	\$0.80	2.4%
2009	\$599	\$0.79	-0.5%
2008	\$602	\$0.79	2.0%
2007	\$590	\$0.77	2.7%

Source: CoStar

Multi-Family Rents - Greater Rome			
Year	Asking Rent	Asking Rent Per SF	Asking Rent Growth (Annual Change)
2015	\$628	\$0.91	2.1%
2014	\$615	\$0.89	0.2%
2013	\$613	\$0.89	4.2%
2012	\$590	\$0.85	4.8%
2011	\$564	\$0.81	3.8%
2010	\$544	\$0.78	3.1%
2009	\$527	\$0.76	0.1%
2008	\$527	\$0.76	2.2%
2007	\$515	\$0.74	3.5%

Source: CoStar

Residential Value & Market Trends

As noted above in the housing summary, the housing market in the Rome area has remained stable, but has not appreciated greatly in value over the last decade. Median home values in Oneida County exceed home values in the BOA by nearly \$51,000, while the difference between the BOA and the City of Rome is nearly \$30,000.

Median Home Value		
BOA	City of Rome	Oneida County
\$59,531	\$88,800	\$110,500

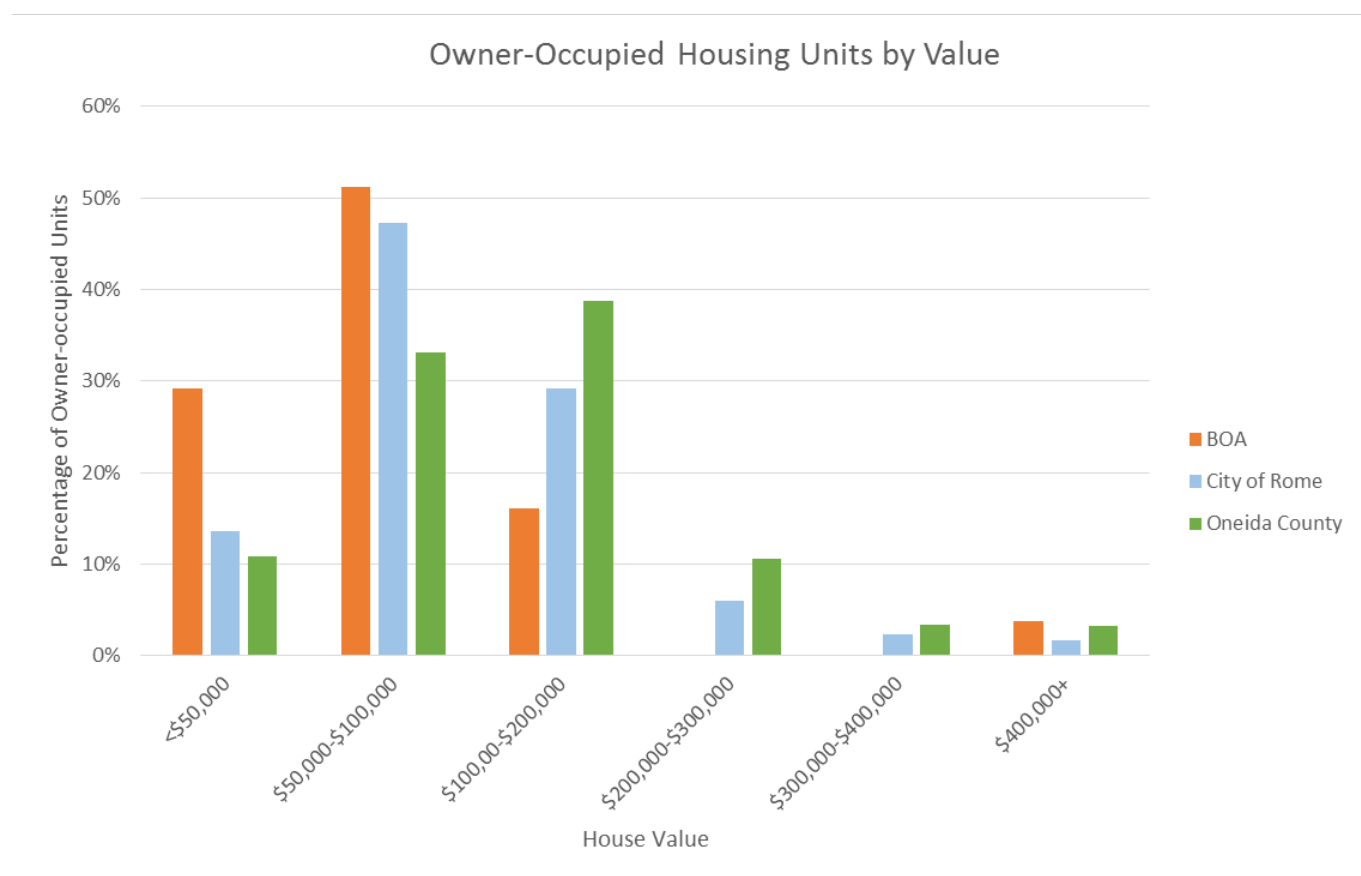
Source: ESRI

Homes values in the county exceed those in the city and the BOA, rendering Rome an affordable location to buy a home compared to the rest of the region. Nearly a third of all owner-occupied housing units are valued at \$50,000 or less in the BOA. The same value segment totals 14% in the city and 11% in the county. The largest portion of

houses, just over half, are valued between \$50,000 and \$100,000 in the BOA. This segment is also the largest in the city, while the next highest value segment, \$100,000-\$200,000 accounts for the largest portion of owner-occupied homes in the county.

Owner Occupied Housing Units by Value						
	BOA		City of Rome		Oneida County	
	#	%	#	%	#	%
<\$50,000	85	29%	1,038	14%	6,645	11%
\$50,000-\$100,000	149	51%	3,621	47%	20,272	33%
\$100,00-\$200,000	47	16%	2,236	29%	23,723	39%
\$200,000-\$300,000	0	0%	463	6%	6,450	11%
\$300,000-\$400,000	0	0%	175	2%	2,091	3%
\$400,000+	11	4%	131	2%	2,017	3%

Source: ESRI



Housing Market Conditions

In 2014, Rome received a Community Development Block Grant (CDBG). In order to best distribute the funds throughout the community, the City collected information on the community through public consultations and statistical analysis and wrote an official report that would guide the circulation of the CDBG funds. The Five Year Consolidated Plan and Annual Action Plan (2015-2019), was published in May 2015. The City anticipated that in 2015 they would receive just over \$900,000 in CDBG funds, and a total of \$4.5 million over the course of 2015-2019. The report notes that the CDBG funds, which makes up about 2% of the City's total budget, is the primary funding source used to address residential housing issues within the low to moderate income (LMI) population in Rome.

Below, the CDBG Target Zones are shaded on the map. The target zones are just northeast of the BOA, with some overlap occurring on Erie Boulevard. These areas have a heightened need for assistance in residential renovation or additional affordable housing units. Combatting neighborhood blight in the CDBG target zones was noted as a high priority for the City, as vacant spaces can attract unwanted activities, so 200 uninhabitable units were demolished, while incentives were provided to houses that were inhabitable but in need of renovations that would bring the properties up to code.



The plan outlines how the local government is coordinating efforts with local non-profits to reach through the targeted areas, as well as the entire community, with explicit targets for how many housing units the funds will renovate and how many individuals will be affected. The City aims to achieve the following goals in the next four years:

- Assist 100 LMI rental houses through rehabilitation,
- Add 5-10 homeowner housing units for LMI households,
- Rehabilitate 50 homeowner housing units for LMI,
- Provide direct financial assistance to 10 LMI households, and
- Provide tenant-based rental assistance to 40 LMI households.

The report further analyzes the greatest problems facing LMI households in Rome and determines that the cost of housing is the primary issue facing households. For both homeowners and rental properties, a housing cost burden greater than 50% of income was the number one issue, followed by a housing cost burden greater than 30% of income, overcrowding and severe overcrowding.

The Rome Housing Authority (RHA) owns and manages public assisted housing projects and programs in the City of Rome. According to their website they currently manage three building complexes: the Colonial Apartments, the Liberty Apartments, and the Valentine Apartments. The report notes that due to the age of these properties, they are not fully accessible to handicapped or elderly residents who may have trouble getting around. To better serve the population of Rome, the RHA will be undertaking renovations on their 282 units. Renovations are also critical for health and safety purposes as much of the city's housing stock was built prior to 1980 and therefore lead based paint contaminants are a concern, especially for households with children.

The report notes that the persistent issue facing public housing in Rome is the sheer number of units needed to adequately serve the local population. The report states that there are some 870 individuals and families on the waiting list for public housing units managed by RHA. With only 282 units available, and turnover low, those on the waitlist will wait for years for a chance to live in one of the public housing units.

For those that do not qualify for public housing, the greatest barrier to finding affordable housing is the city's high taxation rate. To mitigate taxes, the City will encourage development of:

- Mixed-use development,
- Historic buildings for residential use to increase housing stock, and
- More affordable housing units.

Demand Outlook

While the City of Rome's population is projected to remain relatively flat based on current trends, there is an opportunity to capitalize on a mismatch between the current housing availability and current demand. There is also an opportunity to capture future regional growth, especially workers at existing and new businesses at Griffiss Technology Park and future workers at the Marcy Nanocenter site.

Professionals

Marcy Nanocenter

Development is underway at the Marcy Nanocenter site where a 360,000 square foot chip manufacturing facility is being constructed in Utica. Production is expected to start in early 2018 and when fully operational, the plant will employ 700 direct employees. An additional 500 indirect jobs are expected to be generated. The site boasts other shovel-ready sites and it is likely that businesses will continue to locate at the Marcy Campus.

Many of the workers at the Marcy Campus will be young professionals and as such will generally prefer rental housing over owner-occupied units. Lessons can be learned from the GlobalFoundries chip manufacturing facility that was constructed in Malta, NY. It was expected among the real estate community at the time that the new employment would generate increased demand for single-family and other owner-occupied units. However, employees at the facility overwhelmingly chose to rent leading to a surge in demand for high quality multi-family units.

Griffiss Business and Technology Park

The Griffiss Business and Technology Park is home to businesses that employ highly educated and highly skilled workers. The City of Rome does not have housing that aligns with the preferences of these workers. Specifically, today's skilled workforce is looking for high-quality housing in walkable downtown locations that are rich in amenities including shops, restaurants, entertainment, and parks. The park has a number of sites available and as future businesses move in, there will be an opportunity to capture those new households in the City of Rome if the right housing product is available.

Age 55+ Housing

As shown in the table below, the population age 65+ is expected to increase by 10% over the next five years. The largest increase will be in the age 70-74 cohort followed by the age 65-69 range. There is both current unmet demand, and future demand for age 55+ housing including quality apartment units that are walkable to shops and amenities, as well as independent living facilities. The national trend across the U.S. has been towards "aging in place" or helping residents stay in their homes and communities as they grow old rather than moving to a new place to live in a specialized facility. As a result of this shift and the general aging of the population, there has been an increase in demand for age-restricted housing in local communities.

Age 50+ Population Growth: City of Rome							
Age Cohort	2010	2015	2020	Change 2010-2015	% Change 2010 - 2015	Change 2015-2020	% Change 2015-2020
50-54	2,461	2,384	2,016	(77)	-3%	(368)	-15%
55-59	2,298	2,282	2,210	(16)	-1%	(72)	-3%
60-64	1,942	2,140	2,170	198	10%	30	1%
65-69	1,467	1,798	1,991	331	23%	193	11%
70-74	1,143	1,349	1,649	206	18%	300	22%
75-79	998	969	1,136	(29)	-3%	167	17%
80-84	901	817	796	(84)	-9%	(21)	-3%
85+	1,050	1,066	1,039	16	2%	(27)	-3%
Total (50+)	12,260	12,805	13,007	545	4%	202	2%
65+	5,559	5,999	6,611	440	8%	612	10%

Source: ESRI

Residential Projects

There are several notable recent/proposed residential projects in Rome, as discussed below. The projects are likely to absorb some of the residential demand, but overall are "proof-positive" that a market exists for new higher-end housing product in Rome.

- **Old City Hall, YES Development.** The old city hall building in Rome is being renovated into apartments targeted primarily to young professionals. The building features 8 residential units with rents in the \$1,000 to \$2,000 range (excluding utilities).
- **The Delta Luxury Apartments, Buck Construction.** The Delta features high-end amenity apartments with two bedroom units starting at \$1,450/month. Indications are that demand for the units has been very strong.
- **Riverwalk Village.** The City of Rome is currently exploring revitalization options for the 110+ acre tract of land adjacent to the Griffiss Business and Technology Park. The tract is likely to be redeveloped with a substantial number of residential units.

Retail

Takeaway Findings

- **Rome's retail market has been flat.** Both the city and BOA retail markets have been quiet with no construction and no substantial trends, either positive or negative.
 - **No retail construction.** The Greater Rome market has not seen any new retail construction since 2008, according to CoStar.
 - **Year-to-year fluctuations in net absorption but no clear trend.** Net absorption of retail space in the city has not been consistent. From 2011 through 2015, net absorption totaled 85,128 square feet. However, there has been a downward trend in the absorption rate, demonstrating that the supply of retail space exceeds the demand.
 - **Vacancy and lease rates stable.** Vacancy rates have hovered around 5% since 2012 and the Greater Rome market has about 187,000 square feet of vacant retail space available. Note that the BOA has low vacancy rates, but that does not necessarily indicate potential. Lease rates in the city have generally been in the \$8 to \$9 per square foot range since 2009, although 2015 saw a modest increase in average rates to \$9.40.
- **Current consumer base demographics and spending patterns generally unfavorable for new retail development.** The median household income in the city is only \$41,600 compared to \$50,400 in Oneida County and \$58,000 in New York State. Both the BOA and city fall below the national average when it comes to consumer spending on the Spending Potential Index (SPI). In no retail category does spending exceed the national average of 100 in the City or Local Trade Area. Based on the market tapestry segmentation analysis, the Local Trade Area, and much of Rome, is comprised of new, young families who earn incomes below the national average, are budget conscience, and loyal to national chain retail stores.
- **Market segments may be opportunity for select retailers.** The age cohort 65-74 year olds will continue to grow over the next five years in the Local Trade Area and the City of Rome. Retail establishments that serve this population will likely be in demand. Another large segment of the population is made up of 25-34 year olds. The market tapestry segmentation analysis for the Local Trade Area, and much of Rome, shows that the region is made up of young families who earn incomes below the national average, are budget conscience, and loyal to national chain retail stores. Based on these factors, retail development in the Local Trade Area will likely be challenging, but could work if the retailer focused in on this particular subset of the population. Additionally, the top four income segments, ranging \$75,000-\$200,000, are all anticipated to grow over the next five years in the city.
- **The City is experiencing sales "leakage" in select retail categories and new businesses appear to be feasible.** The retail gap analysis, which measures how much spending by residents occurs outside of the city, found that residents are leaving the city (or going online) to shop at businesses in several categories. The retail categories with retail leakage are shown below with the number of potential businesses that could be supported in each category indicated in parentheses.
 - Electronics & Appliance Stores⁵ (0)
 - Other Misc. Retailers (1)

⁵ Electronics & Appliance Stores have significant leakage because online retailers have come to dominate this category. For this reason, we not expect there to be any potential for "brick and mortar" businesses in this category.

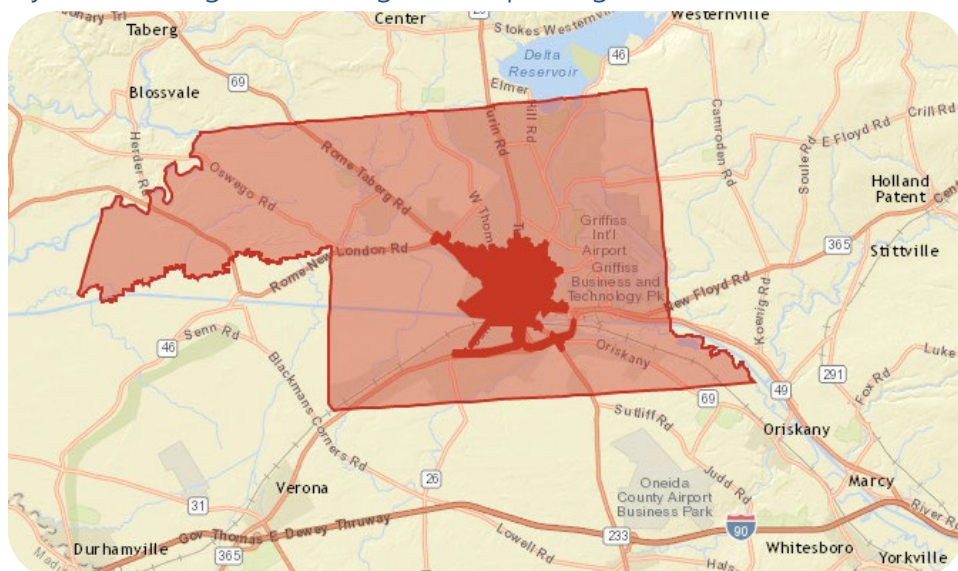
- Full-Service Restaurants (2)
- Clothing Stores (2)
- Specialty Food Stores (1)
- Jewelry, Luggage & Leather Goods Stores (1)
- Home Furnishings Stores (1)
- Shoe Stores (1)
- Used Merchandise (1)
- Lawn & Garden Equipment (1)
- Health & Personal Care Stores (0)
- Book, Periodical & Music Stores (0)
- Special Food Services (0)

- **Marcy Nanotech likely to have transformative impact on market.** Based on current spending in the local trade area and the City of Rome, there are minimal opportunities for additional retail stores. However, one major future opportunity surrounds the building of the Marcy Nanocenter in Utica, NY. The 1,000-2,000 jobs that are anticipated to accompany the plant will likely be high paying jobs, and individuals will seek out entertainment and recreation options in the area. If Rome can harness its downtown composition into a mixed-use retail/residential space with the appropriate retail mix, Rome could draw regional patronage.
- **Mixed-use style retail has greatest potential.** Mixed-use style buildings and developments are more market feasible than standalone retail options because of the potential for a built-in customer base with residents on upper floors or in adjacent buildings, and the potential for creating more vibrant areas, especially in the downtown area.

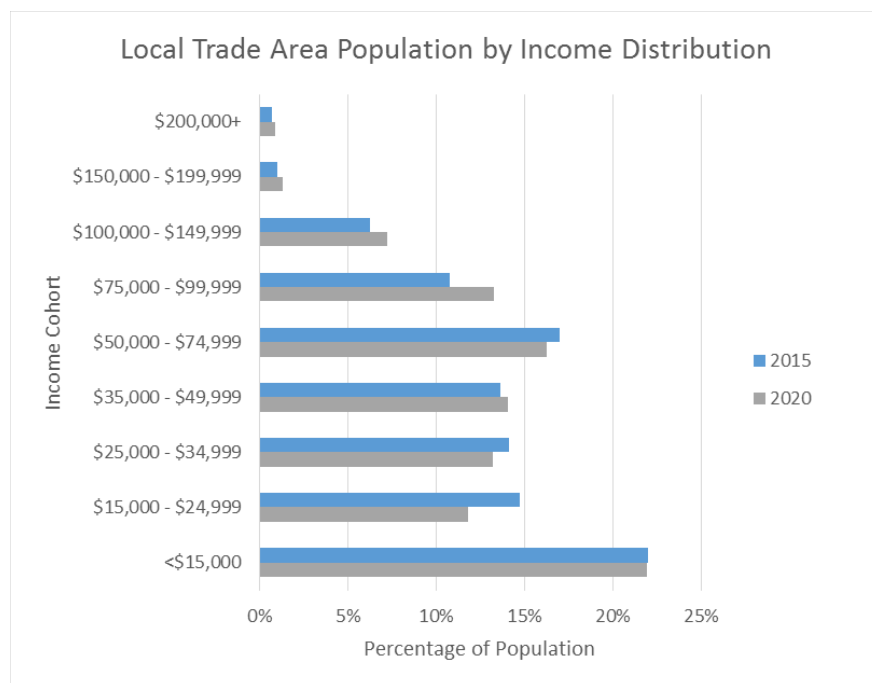
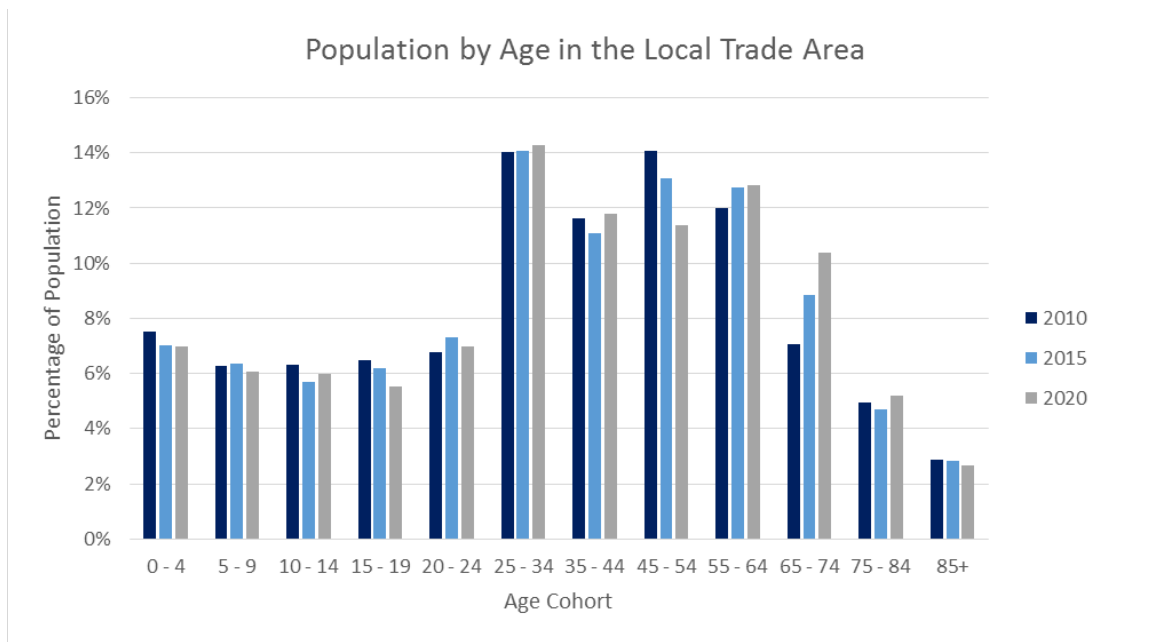
Local Trade Area Demographics

Reviewing data within a 5-minute drive time of the BOA (shown as the dark red in the map below) provides insight into the local retail market and can help to identify whether the needs of local consumers within or in close proximity to the BOA are being met by existing businesses. Unmet demands of the Local Trade Area pose potential business development opportunities for the BOA that would benefit from strong support by the local market. First, analyzing current and projected population figures by income and age distribution will help to better understand the consumer market.

City of Rome (lighter shading) encompassing the Local Trade Area



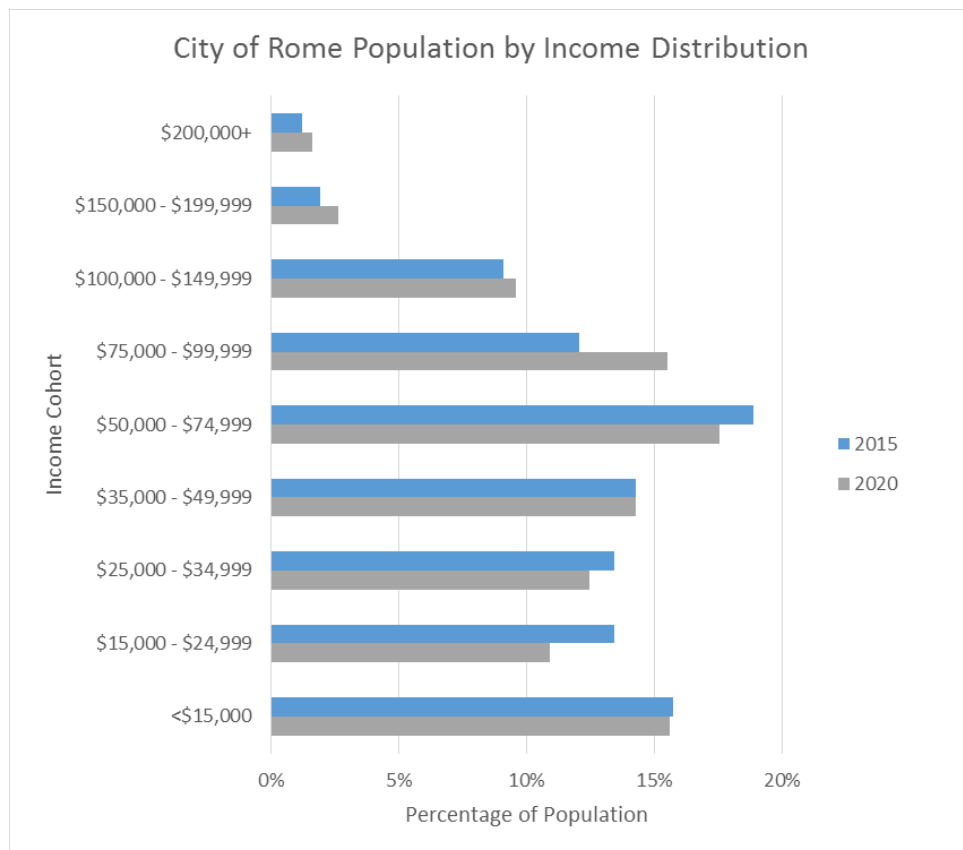
Currently, the most populous age cohort in the Local Trade Area is 25-34 year olds (14%). The cohorts tied for the second largest portion of the population are 45-54 year olds and 55-64 year olds (each make up 13% of the population). From the graph below, it is apparent that the 45-54-year-old cohort is dramatically shrinking over time, while the 65-74 year-old cohort is projected to climb consistently.



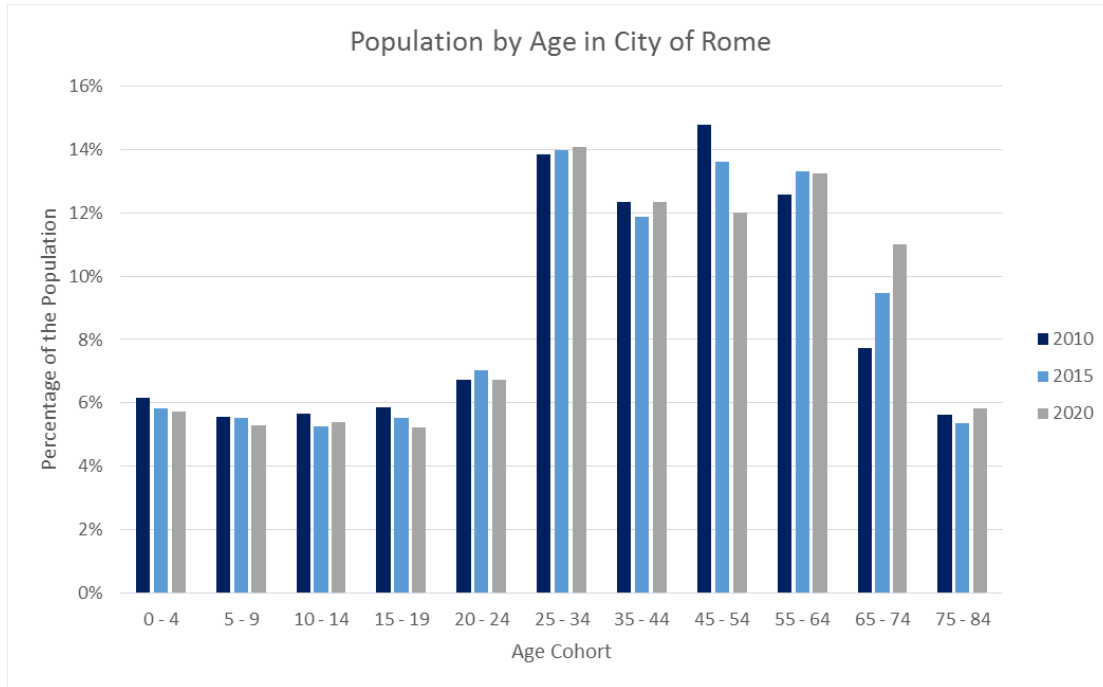
Incomes in the Local Trade Area will remain fairly consistent over the five-year period of 2015-2020. The highest concentrated income bracket in 2015 was earners making less than \$15,000 per year (22%), which is expected to stay the same through 2020. The next income bracket, \$15,000-\$24,999, currently accounts for 15% of the total population in the Local Trade Area but is expected to shrink to 12% in the coming five years. The income segments \$75,000-\$99,999 and \$100,000-\$149,999 will increase nominally in the next five years, to 13% and 7%, respectively. With no significant changes in income over the coming years in the Local Trade Area, spending power of consumers will likely not increase.

Rome Area Demographics

In 2015, the largest age cohort in the City of Rome was shared between 25-34 year olds and 45-54 year olds, both making up 14% of the City's population. 55-64 year olds follow close behind, making up 13% of the population. Like the Local Trade Area, the 45-54 cohort will experience consistent decline between 2010-2020, while the 65-74 year old cohort will see a steady increase over the coming years. As individuals enter into this older cohort, often greater medical services and specialty retail needs are required and may be an opportunity for businesses in the area to capitalize on.



The City's overall income distribution is weighted more towards middle and upper income segments compared to the Local Trade Area. However, the second largest income cohort are those that make less than \$15,000 a year, accounting for almost 16% of the total population. The largest income segment in the City is \$50,000-\$74,999, comprising nearly 19% of the population. The top four income segments, ranging \$75,000-\$200,000, are all anticipated to grow over the next five years, which is a positive sign for retail spending in the region.



Retail Supply

Retail Inventory

The BOA's 813,159 square feet of retail space makes up just over 20% of total retail space in the Greater Rome region. Of the 186,655 vacant square feet of retail space in Greater Rome, about 14% of that space is found in the BOA. The vacancy rate in Greater Rome, 4.8%, is slightly higher than the BOA's, sitting at 3.1%. The BOA's average rate, \$9.60, slightly exceeds the average rate of Greater Rome, which totals \$9.35.

Retail Inventory					
Market Area	Existing Inventory		Vacancy		Average Rate
	Number of Buildings	Square Feet	Vacant Square Feet	Percent Vacant	
BOA	62	813,159	25,450	3.1%	\$9.60
Greater Rome	383	3,920,584	186,655	4.8%	\$9.35
BOA as % of Greater Rome	16%	21%	14%		

Source: CoStar

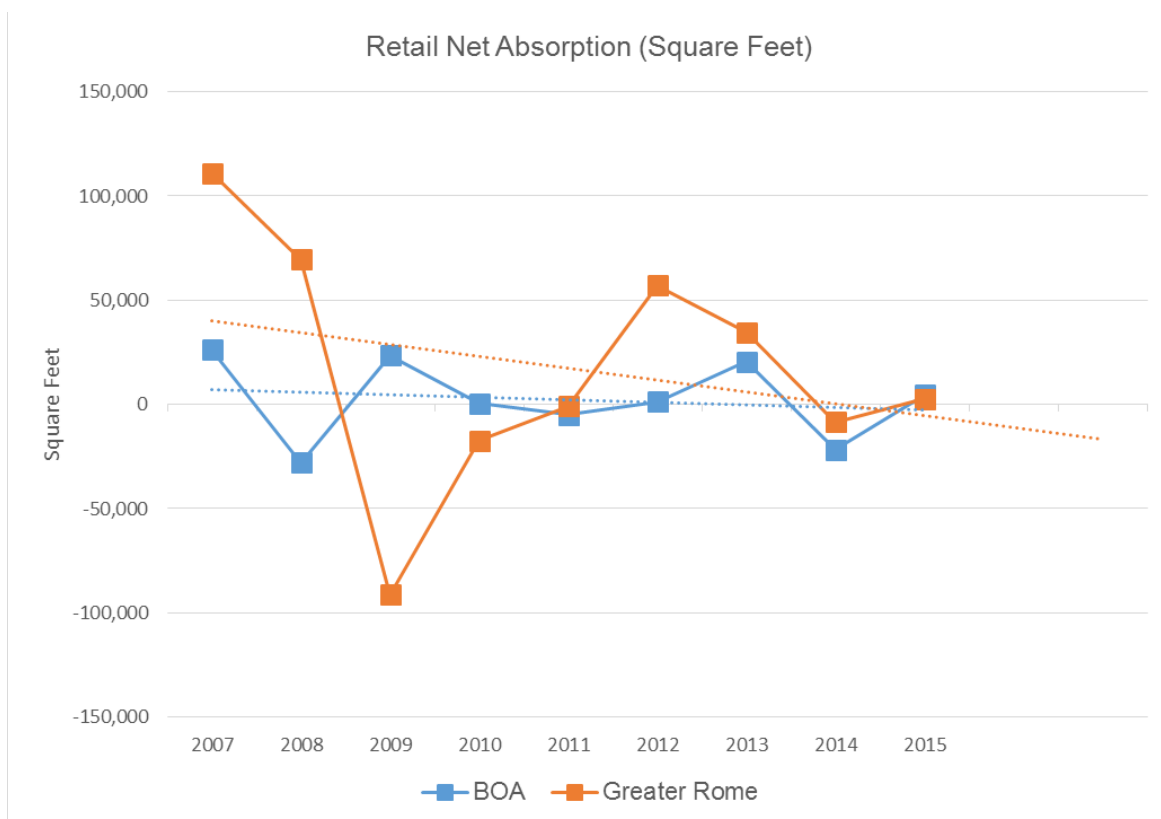
Retail Net Absorption

Net absorption is the net change in occupied space over a given period of time. Net absorption was negative for the BOA and Greater Rome in the same two years, 2014 and 2011. Overall, net absorption was negative in the BOA over the last 5 years, -442 square feet, while Greater Rome experienced a positive net absorption, just over 85,000 square feet. Over the last five years, the Greater Rome region has fluctuated greatly in its ability to absorb retail space. In 2012, net absorption reached just over 57,000 square feet while in the 2015 net absorption only reached 2,700. The

downward trend in absorption demonstrates that the supply of retail space exceeds the demand, indicating retail is not a strong market for potential development.

Retail Net Absorption (2011-2015)		
	BOA	Greater Rome
2015	4,439	2,764
2014	(21,800)	(8,392)
2013	20,450	34,711
2012	1,358	57,019
2011	(4,889)	(974)
Total	(442)	85,128

Source: CoStar



Retail Vacancy

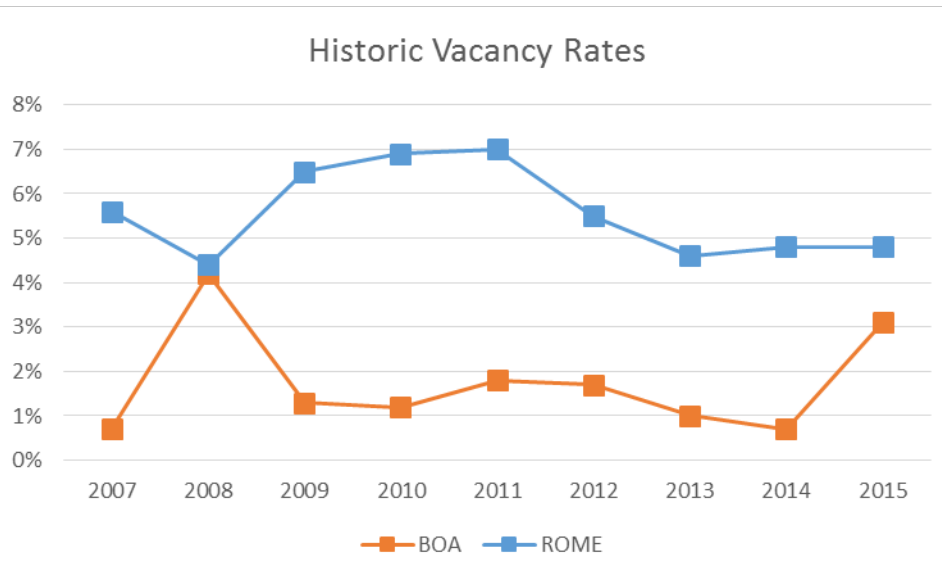
While buildings and existing available square footage has remained stable in the BOA, the vacancy rate has fluctuated between 0.7% in 2007 to 3.1% in 2015, further indicating that supply has been gradually outpacing demand for retail space in the BOA. In the Greater Rome area, the number of buildings and amount of inventory has nearly remained consistent, however, vacancy has decreased overtime, with a spike around 2011. The current vacancy rate sits at 4.8%.

Retail Vacancy Rate by Year - Greater Rome				
	Bldgs	Inventory SF	Vacant SF	Vacancy %
2015	383	3,920,584	186,655	4.8%
2014	383	3,920,584	189,419	4.8%
2013	383	3,920,584	181,027	4.6%
2012	383	3,920,584	215,738	5.5%
2011	383	3,920,584	272,757	7.0%
2010	383	3,920,584	271,783	6.9%
2009	383	3,920,584	254,407	6.5%
2008	385	3,929,999	172,608	4.4%
2007	382	3,905,397	217,528	5.6%

Source: CoStar

Retail Vacancy Rate by Year - BOA				
	Bldgs	Inventory SF	Vacant SF	Vacancy %
2015	62	813,159	25,450	3.1%
2014	62	813,159	5,889	0.7%
2013	62	813,159	8,089	1.0%
2012	62	813,159	13,539	1.7%
2011	62	813,159	14,897	1.8%
2010	62	813,159	10,008	1.2%
2009	62	813,159	10,447	1.3%
2008	62	813,159	33,894	4.2%
2007	62	813,159	6,000	0.7%

Source: CoStar



Retail Deliveries

The term “delivery” refers to the year that construction on a building was completed, in this case, retail buildings within the BOA and the Greater Rome region. Over the past decade, there were no deliveries within the BOA and the only delivery that occurred in Greater Rome was in 2008. During that year, 3 buildings, totaling nearly 25,000 square feet were completed.

Summary: Retail Space Deliveries By Market					
	BOA		Greater Rome		
Year	Buildings	Sq. Feet	Buildings	Sq. Feet	
2015	0	0	0	0	
2014	0	0	0	0	
2013	0	0	0	0	
2012	0	0	0	0	
2011	0	0	0	0	
2010	0	0	0	0	
2009	0	0	0	0	
2008	0	0	3	24,602	
2007	0	0	0	-	

Source: CoStar

Lease Rates (NNN)

Lease rates in the BOA ranged from \$6.00 - \$11.90 during the years that data is available for the area. In the last two years, lease rates have been higher in the BOA than in the Greater Rome area, however, due to the small number, or lack of leases completed in the BOA, a comparison between the two geographies cannot be conclusive. Retail lease rates in Greater Rome increased by 18% over the course of nine years, from \$7.96 to \$9.40. The number of leases fluctuated greatly in the last decade in Greater Rome. The greatest number of leases occurred in 2013, twelve, while

2009 saw the fewest, only 1 lease. In the last three years, 23 leases were completed, out of a total of fifty completed over the course of 2007-2015.

Summary: Retail Lease Rates						
	BOA			Greater Rome		
Year	Leases	Square Feet	Lease Rate	Leases	Square Feet	Lease Rate
2015	-	-	\$9.60	4	46,275	\$9.40
2014	2	5,326	\$11.90	7	11,436	\$8.43
2013	-	-	-	12	35,709	\$8.65
2012	2	17,322	\$6.00	9	59,079	\$8.66
2011	1	2,000	\$8.00	7	17,472	\$8.72
2010	-	-	\$8.00	5	15,250	\$8.63
2009	-	-	\$7.50	1	9,000	\$8.20
2008	-	-	\$8.00	2	5,600	\$7.42
2007	-	-	-	3	4,600	\$7.96

Source: CoStar

Retail Demand

Tapestry/Market Segmentation

A tool used by retail site selectors in determining the characteristics of a particular trade area is market segmentation, which is the classification of consumers according to demographic, socioeconomic, housing, and lifestyle characteristics. It is how retailers and site selectors compare consumer trends across trade areas when considering many site locations.

Market segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward each other and into the same communities. Businesses utilize segmentation to understand their customers' lifestyle choices, purchasing preferences, and how they spend their free time.

Market segmentation data were obtained from ESRI's Tapestry segmentation model. Additional information about ESRI's model can be found here: <http://www.esri.com/landing-pages/tapestry>. It is important to recognize that the classifications and labels that ESRI uses for defining market segments are *generalizations*. The descriptions of each segment are based on comparisons with the U.S. as a whole and reflect the propensity of households within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population. The purpose of this exercise is to compare local consumer trends to those of consumers across the U.S. so businesses and developers not familiar with the Rome understand consumer demand in this area.

Below, the top five tapestry segments in the Local Trade Area are listed, along with the corresponding population percentages in the City of Rome and the U.S. for comparison. The top five tapestry segments comprise nearly 90% of the Local Trade Area population and therefore paints a nearly complete picture of the consumers in the area. Of the tapestry segments listed, they make up over half of the City of Rome population, showing overlap between the two geographies.

Market Tapestry Segmentation						
		Local Trade Area Households		City of Rome Households		U.S. Households
Rank	Tapestry Segment	#	%	#	%	%
1	Traditional Living	1,409	22.5%	1,917	14.2%	2.0%
2	Hardscrabble Road	1,259	20.1%	1,310	9.7%	1.2%
3	Rustbelt Traditions	1,065	17.0%	1,688	12.5%	2.2%
4	Social Security Set	965	15.4%	959	7.1%	0.8%
5	Set to Impress	758	12.1%	1,418	10.5%	1.4%
	Total Households	5,455	87.1%	7,292	54.0%	7.6%

Source: ESRI

Based on the market tapestry segmentation descriptions, the Local Trade Area, and much of Rome, is comprised of new, young families who earn incomes below the national average, with a notable portion receiving some sort of social assistance. Families typically live in duplexes or older single family homes, with a substantial amount of renter households. The individuals in these segments are generally budget conscience and are loyal to traditional brand names. Based on these factors, retail development in the Local Trade Area will likely be challenging, but could work if the retailer focused in on this particular subset of the population.

Traditional Living (22.5%)

Residents in this segment live primarily in low-density, settled neighborhoods in the Midwest. The households are a mix of married-couple families and singles. Many families encompass two generations who have lived and worked in the community; their children are likely to follow suit. The manufacturing, retail trade, and health care sectors are the primary sources of employment for these residents. This is a younger market—beginning householders who are juggling the responsibilities of living on their own or a new marriage, while retaining their youthful interests in style and fun. The median age is 34.8 years old and the median household income is \$37,000.

Hardscrabble Road (20.1%)

Hardscrabble Road neighborhoods are in urbanized areas within central cities, with older housing, located chiefly in the Midwest and South. This slightly smaller market is primarily a family market, married couples (with and without children) and single parents. Younger, highly diverse (with higher proportions of black, multiracial, and Hispanic populations), and less educated, they work mainly in service, manufacturing, and retail trade industries. Unemployment is high (almost twice the US rate), and median household income is half the US median. Almost 1 in 3 households have income below the poverty level. Approximately 60% of householders are renters, living primarily in single-family homes, with a higher proportion of dwellings in 2–4 unit buildings. This market is struggling to get by. The median age is 31.7 years old and the median household income is \$26,000.

Rustbelt Traditions (17%)

The backbone of older industrial cities in states surrounding the Great Lakes, Rustbelt Traditions residents are a mix of married-couple families and singles living in older developments of single-family homes. While varied, the work force is primarily white collar, with a higher concentration of skilled workers in manufacturing, retail trade, and health care. Rustbelt Traditions represents a large market of stable, hard-working consumers with modest incomes but above average net worth (Index 111). Family oriented, they value time spent at home. Most have lived, worked, and played in the same area for years. The median age is 38.4 and the median household income is \$49,000.

Social Security Set (15.4%)

Social Security Set is an older market located in metropolitan cities across the country. Over one-third of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. In the aftermath of the Great Recession, early retirement is now a dream for many approaching the retirement age; wages and salary income in this market are still earned. Residents live alone in low-rent, high-rise buildings, located in or close to business districts that attract heavy daytime traffic. But they enjoy the hustle and bustle of life in the heart of the city, with the added benefit of access to hospitals, community centers, and public transportation. The median age is 44.2 and the median household income is \$16,000.

Set to Impress (12.1%)

Set to Impress is depicted by medium to large multiunit apartments with lower than average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Nearly one in three residents is 20 to 34 years old, and over half of the homes are nonfamily households. Although many residents live alone, they preserve close connections with their family. Income levels are low; many work in food service while they are attending college. This group is always looking for a deal. They are very conscious of their image and seek to bolster their status with the latest fashion. Set to Impress residents are tapped into popular music and the local music scene. The median age is 33.1 and the median household income is \$29,000.

Consumer Spending Patterns

Expenditures on goods and services are used to evaluate the spending patterns and purchasing power of residents in the city. This section of the report looks at spending by local residents but does not show where these expenditures were made.

The table below shows spending by city residents on select retail goods and services. Variables shown include the average annual spending per household on a particular good or service, the city total spending on that good, and the spending potential index (SPI) for both the city and the local trade area. The SPI represents household expenditures on a product or service relative to a national average of 100. An SPI greater than 100 indicates that, on average, households within the local trade area spend more on that particular good than the average U.S. household. The difference between the City SPI and local trade area SPI (the last column) gives a snapshot of how the spending power of local residents compares with those in the greater region.

A very high SPI can mean a number of things:

- Costs of goods and services within that particular spending category are much higher within a trade area than they are elsewhere throughout the nation.
- Residents within a trade area may be wealthier than the national average.
- Population characteristics can drive up SPI in certain categories. For example, a trade area with a large retired population will likely spend more on healthcare and Medicare.

The SPI is a good preliminary measure used to identify market characteristics that may necessitate additional attention within an analysis. The local retail trade area's average SPI is eleven points lower (61) than the average of the City (72), however both figures indicate that individuals in this area are spending considerably less on goods than their average national counterparts. There are no categories in either geography that reach the national average of 100.

The City and the Local Trade Area (5-minute drive time radius from BOA) overlap in many categories that display the highest SPI, including in:

- Dating Services

- Smoking Products
- Video Game Software/Accessories
- TV/DVDs/Portable Memory

The table below shows the full range of SPI's by category in the City of Rome and the Local Trade Area.

Consumer Spending Index: Local Trade Area					
Category	Average Spending	Total Spending	City of Rome SPI	Local Trade Area SPI	Local SPI-City SPI
Apparel and Services					
Men's	\$264	\$1,654,052	71	61	(10)
Women's	\$504	\$3,154,380	73	62	(11)
Children's	\$232	\$1,454,776	71	62	(9)
Footwear	\$287	\$1,797,588	73	63	(10)
Watches & Jewelry	\$83	\$522,300	69	58	(11)
Apparel Products and Services (1)	\$56	\$350,518	69	57	(12)
Computer					
Computers and Hardware for Home Use	\$132	\$823,737	71	61	(10)
Portable Memory	\$4	\$22,350	75	66	(9)
Computer Software	\$12	\$73,583	67	58	(9)
Computer Accessories	\$11	\$70,516	71	59	(12)
Entertainment & Recreation					
Fees and Admissions	\$370	\$2,317,121	68	57	(11)
Membership Fees for Clubs (2)	\$99	\$620,004	69	58	(11)
Fees for Participant Sports, excl. Trips	\$68	\$427,815	67	57	(10)
Admission to Movie/Theatre/Opera/Ballet	\$95	\$594,612	68	58	(10)
Admission to Sporting Events, excl. Trips	\$41	\$259,591	73	62	(11)
Fees for Recreational Lessons	\$66	\$411,641	64	54	(10)
Dating Services	\$1	\$3,458	93	92	(1)
TV/Video/Audio	\$854	\$5,345,952	76	65	(11)
Cable and Satellite Television Services	\$593	\$3,715,136	78	66	(12)
Televisions	\$95	\$597,002	75	64	(11)
Satellite Dishes	\$1	\$6,584	78	67	(11)
VCRs, Video Cameras, and DVD Players	\$7	\$45,630	76	66	(10)
Miscellaneous Video Equipment	\$6	\$38,784	68	58	(10)
Video Cassettes and DVDs	\$21	\$131,331	75	65	(10)
Video Game Hardware/Accessories	\$16	\$100,735	78	70	(8)
Video Game Software	\$19	\$119,193	78	69	(9)
Streaming/Downloaded Video	\$3	\$20,071	65	56	(9)
Rental of Video Cassettes and DVDs	\$15	\$93,805	73	64	(9)
Installation of Televisions	\$1	\$3,800	65	54	(11)
Audio (3)	\$73	\$454,948	69	59	(10)
Rental and Repair of TV/Radio/Sound Equipment	\$3	\$18,933	68	56	(12)
Pets	\$337	\$2,112,795	73	59	(14)
Toys and Games (4)	\$79	\$497,738	75	65	(10)
Recreational Vehicles and Fees (5)	\$109	\$681,858	66	50	(16)
Sports/Recreation/Exercise Equipment (6)	\$103	\$643,318	68	54	(14)
Photo Equipment and Supplies (7)	\$47	\$294,945	69	58	(11)
Reading (8)	\$93	\$579,770	73	61	(12)
Catered Affairs (9)	\$13	\$81,834	65	55	(10)
Food					
Food at Home	\$3,360	\$21,045,586	75	64	(11)
Bakery and Cereal Products	\$476	\$2,979,318	76	65	(11)
Meats, Poultry, Fish, and Eggs	\$734	\$4,597,600	75	64	(11)
Dairy Products	\$355	\$2,224,674	74	63	(11)
Fruits and Vegetables	\$626	\$3,922,653	74	63	(11)
Snacks and Other Food at Home (10)	\$1,169	\$7,321,341	76	65	(11)
Food Away from Home	\$2,007	\$12,568,341	72	61	(11)
Alcoholic Beverages	\$337	\$2,112,286	71	61	(10)
Nonalcoholic Beverages at Home	\$327	\$2,046,553	76	65	(11)

Financial					
Investments	\$1,150	\$7,204,052	57	42	(15)
Vehicle Loans	\$2,591	\$16,228,647	73	61	(12)
Health					
Nonprescription Drugs	\$79	\$497,657	75	61	(14)
Prescription Drugs	\$321	\$2,011,594	78	65	(13)
Eyeglasses and Contact Lenses	\$56	\$352,877	75	63	(12)
Home					
Mortgage Payment and Basics (11)	\$5,006	\$31,350,521	67	53	(14)
Maintenance and Remodeling Services	\$896	\$5,611,438	68	53	(15)
Maintenance and Remodeling Materials (12)	\$167	\$1,046,043	72	56	(16)
Utilities, Fuel, and Public Services	\$3,262	\$20,432,808	76	64	(12)
Household Furnishings and Equipment					
Household Textiles (13)	\$62	\$385,825	73	63	(10)
Furniture	\$320	\$2,004,792	73	62	(11)
Rugs	\$15	\$92,682	72	60	(12)
Major Appliances (14)	\$158	\$991,895	72	59	(13)
Housewares (15)	\$44	\$275,632	73	61	(12)
Small Appliances	\$29	\$180,466	75	63	(12)
Luggage	\$5	\$30,675	65	53	(12)
Telephones and Accessories	\$30	\$186,635	72	59	(13)
Household Operations					
Child Care	\$258	\$1,618,458	67	58	(9)
Lawn and Garden (16)	\$242	\$1,514,092	71	56	(15)
Moving/Storage/Freight Express	\$46	\$290,131	71	63	(8)
Housekeeping Supplies (17)	\$447	\$2,801,278	74	62	(12)
Insurance					
Owners and Renters Insurance	\$296	\$1,853,569	73	59	(14)
Vehicle Insurance	\$752	\$4,711,298	73	62	(11)
Life/Other Insurance	\$261	\$1,637,078	71	57	(14)
Health Insurance	\$1,662	\$10,408,993	76	63	(13)
Personal Care Products (18)	\$286	\$1,788,313	72	61	(11)
School Books and Supplies (19)	\$116	\$728,991	74	65	(10)
Smoking Products	\$352	\$2,203,911	86	76	(10)
Transportation					
Vehicle Purchases (Net Outlay) (20)	\$2,506	\$15,697,665	74	62	(10)
Gasoline and Motor Oil	\$2,249	\$14,088,001	76	64	(10)
Vehicle Maintenance and Repairs	\$686	\$4,296,265	73	61	(10)
Travel					
Airline Fares	\$265	\$1,657,983	66	55	(10)
Lodging on Trips	\$244	\$1,530,262	67	54	(10)
Auto/Truck/Van Rental on Trips	\$18	\$112,599	64	53	(10)
Food and Drink on Trips	\$263	\$1,648,194	69	56	(10)
Average:	\$ 480	\$ 3,005,267	72	61	-11

Source: ESRI

Data Notes:

(1) Apparel Products and Services includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.

(2) Membership Fees for Clubs includes membership fees for social, recreational, and civic clubs.

(3) Audio includes satellite radio service, sound components and systems, digital audio players, records, CDs, audio tapes, streaming/downloaded audio, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.



- (4) Toys and Games includes toys, games, arts and crafts, tricycles, playground equipment, arcade games, and online entertainment and games.
- (5) Recreational Vehicles & Fees includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.
- (6) Sports/Recreation/Exercise Equipment includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.
- (7) Photo Equipment and Supplies includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.
- (8) Reading includes magazine and newspaper subscriptions, single copies of magazines and newspapers, and books.
- (9) Catered Affairs includes expenses associated with live entertainment and rental of party supplies.
- (10) Snacks and Other Food at Home includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.
- (11) Mortgage Payment and Basics includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.
- (12) Maintenance and Remodeling Materials includes supplies/tools/equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for plaster/panel/siding, materials for patio/fence/brick work, landscaping materials, and insulation materials for owned homes.
- (13) Household Textiles includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.
- (14) Major Appliances includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.
- (15) Housewares include plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.
- (16) Lawn and Garden includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.
- (17) Housekeeping Supplies includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, and delivery services.
- (18) Personal Care Products includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.
- (19) School Books and Supplies include school books and supplies for college, elementary school, high school, and preschool.
- (20) Vehicle Purchases (Net Outlay) includes net outlay for new and used cars, trucks, vans, motorcycles, and motor scooters.

Retail Gap Analysis⁶

In a retail gap analysis, the existing retail sales ("supply") of trade area businesses are compared to the estimated retail spending of trade area residents ("demand"). The difference between demand and supply is referred to as the "retail gap."⁷ The retail gap can be positive or negative.

When the demand (spending by trade area residents) for goods and services is greater than sales at trade area businesses, sales are said to "leak out" of the trade area, creating a positive retail gap (i.e. sales leakage).

Conversely, if the supply of goods sold (local trade area sales) exceeds trade area demand (spending by trade area residents), it is assumed that non-residents are coming into the trade area and spending money, creating a negative retail gap (i.e. sales surplus).

⁶ Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

⁷ Note that existing retail sales are specific to the defined trade area whereas retail spending is an estimate of gross spending by residents living in the trade area regardless of where the retail spending occurs.

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside the trade area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region.

A sales surplus might exist for several reasons. For example, the region might be a popular shopping destination for tourists and other out-of-towners, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Alternatively, a sales surplus could be an indicator of market saturation.

The following Retail Gap Analysis table contains a list of industry groups sorted by 3- and 4-digit NAICS codes and includes figures for sales demand (estimated spending by local trade area residents), sales supply (existing retail sales within the trade area), and retail gap (demand minus supply). Retail categories with sales leakage are in green, and those with sales surplus are in red.

Local Trade Area

- The retail categories that have the greatest amount of **leakage** in the Local Trade Area are:
 - Auto Dealers
 - Electronics and Appliance Stores
 - Clothing Stores
- The retail categories that have the greatest **surplus** in the Local Trade Area are:
 - Department Stores Excluding Leased Depts.
 - Building Material & Supplies Dealers
 - Limited Service Eating Places

City of Rome

- The retail categories that have the greatest amount of **leakage** in the City of Rome market are:
 - Electronics and Appliance Stores
 - Clothing Stores
 - Full Service Restaurants
- The retail categories that have the greatest **surplus** in the City of Rome market are:
 - Department Stores Excluding Leased Depts.
 - Other General Merchandise Stores
 - Automobile Dealers

It should be noted that the potential for Electronics & Appliance Stores is limited, despite having significant sales leakage, because many of these types of products are purchased online. Namely, small electronics like computers, video games, tablets, phones, as well as other hand-held goods. Consumer preferences for shopping at brick and mortar stores versus online shopping is a constantly evolving trend and should be considered during any retail or commercial endeavors. To draw consumers away from online shopping and back into physical stores, retailers have begun offering specialized experiences at stores that provide the consumer with something they would not be able to enjoy online. To provide the best experience for consumers at a physical store, it is necessary for the retailer to understand their clientele's preferences and desires – showing the value in understanding the Tapestry Segmentation categories.

Retail Gap - Local Trade Area					
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
441	Motor Vehicle & Parts Dealers				
4411	Automobile Dealers	\$26,652,261	\$6,620,922	\$20,031,339	6
4412	Other Motor Vehicle Dealers	\$3,022,349	\$1,655,389	\$1,366,960	3
4413	Auto Parts, Accessories & Tire Stores	\$1,826,394	\$4,480,566	-\$2,654,172	7
442	Furniture & Home Furnishings Stores				
4421	Furniture Stores	\$2,604,818	\$7,257,450	-\$4,652,632	2
4422	Home Furnishings Stores	\$2,098,679	\$2,372,902	-\$274,223	5
443	Electronics & Appliance Stores				
4431	Electronics & Appliance Stores	\$10,006,110	\$3,520,001	\$6,486,109	6
444	Bldg Materials, Garden Equip. & Supply Stores				
4441	Bldg Material & Supplies Dealers	\$4,766,638	\$12,280,944	-\$7,514,306	7
4442	Lawn & Garden Equip & Supply Stores	\$785,373	\$513,246	\$272,127	1
445	Food & Beverage Stores				
4451	Grocery Stores	\$23,957,783	\$21,592,644	\$2,365,139	4
4452	Specialty Food Stores	\$3,152,143	\$1,622,998	\$1,529,145	2
4453	Beer, Wine & Liquor Stores	\$1,686,930	\$3,692,859	-\$2,005,929	5
446	Health & Personal Care Stores				
4461	Health & Personal Care Stores	\$11,536,178	\$13,725,214	-\$2,189,036	7
447	Gasoline Stations				
4471	Gasoline Stations	\$9,448,347	\$14,155,765	-\$4,707,418	7
448	Clothing & Clothing Accessories Stores				
4481	Clothing Stores	\$7,253,977	\$3,102,619	\$4,151,358	10
4482	Shoe Stores	\$1,290,303	\$0	\$1,290,303	0
4483	Jewelry, Luggage & Leather Goods Stores	\$1,851,440	\$2,210,058	-\$358,618	4
451	Sporting Goods, Hobby, Book & Music Stores				
4511	Sporting Goods/Hobby/Musical Instr Stores	\$23,957,783	\$21,592,644	\$2,365,139	9
4512	Book, Periodical & Music Stores	\$3,152,143	\$1,622,998	\$1,529,145	0
452	General Merchandise Stores				
4521	Department Stores Excluding Leased	\$11,417,898	\$37,840,753	-\$26,422,855	3
4529	Other General Merchandise Stores	\$5,556,574	\$8,559,113	-\$3,002,539	4
453	Miscellaneous Store Retailers				
4531	Florists	\$483,537	\$54,509	\$429,028	1
4532	Office Supplies, Stationery & Gift Stores	\$1,136,686	\$3,803,405	-\$2,666,719	7
4533	Used Merchandise Stores	\$526,161	\$687,299	-\$161,138	3
4539	Other Miscellaneous Store Retailers	\$4,762,960	\$5,068,929	-\$305,969	10
722	Food Services & Drinking Places				
7221	Full-Service Restaurants	\$8,885,330	\$10,632,671	-\$1,747,341	27
7222	Limited- Service Eating Places	\$4,766,250	\$10,553,804	-\$5,787,554	11
7223	Special Food Services	\$478,444	\$1,034,244	-\$555,800	1
7224	Drinking Places- Alcoholic Beverages	\$286,450	\$593,375	-\$306,925	3

Source: ESRI

Retail Gap - City of Rome					
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
441	Motor Vehicle & Parts Dealers				
4411	Automobile Dealers	\$68,366,493	\$102,694,263	-\$34,327,770	28
4412	Other Motor Vehicle Dealers	\$8,315,712	\$10,229,776	-\$1,914,064	8
4413	Auto Parts, Accessories & Tire Stores	\$4,636,728	\$5,840,705	-\$1,203,977	10
442	Furniture & Home Furnishings Stores				
4421	Furniture Stores	\$6,586,506	\$8,032,910	-\$1,446,404	3
4422	Home Furnishings Stores	\$5,444,542	\$2,752,003	\$2,692,539	6
443	Electronics & Appliance Stores				
4431	Electronics & Appliance Stores	\$25,380,917	\$7,210,810	\$18,170,107	9
444	Bldg Materials, Garden Equip. & Supply Stores				
4441	Bldg Material & Supplies Dealers	\$12,915,175	\$34,978,936	-\$22,063,761	15
4442	Lawn & Garden Equip & Supply Stores	\$2,132,299	\$718,308	\$1,413,991	2
445	Food & Beverage Stores				
4451	Grocery Stores	\$60,235,303	\$66,899,637	-\$6,664,334	7
4452	Specialty Food Stores	\$7,909,553	\$4,246,374	\$3,663,179	6
4453	Beer, Wine & Liquor Stores	\$4,317,983	\$4,657,662	-\$339,679	6
446	Health & Personal Care Stores				
4461	Health & Personal Care Stores	\$29,771,800	\$26,413,723	\$3,358,077	19
447	Gasoline Stations				
4471	Gasoline Stations	\$23,893,667	\$31,000,963	-\$7,107,296	13
448	Clothing & Clothing Accessories Stores				
4481	Clothing Stores	\$18,144,218	\$10,169,743	\$7,974,475	16
4482	Shoe Stores	\$3,199,868	\$1,202,526	\$1,997,342	2
4483	Jewelry, Luggage & Leather Goods Stores	\$4,753,019	\$2,210,058	\$2,542,961	4
451	Sporting Goods, Hobby, Book & Music Stores				
4511	Sporting Goods/Hobby/Musical Instr Stores	\$9,135,038	\$18,020,779	-\$8,885,741	14
4512	Book, Periodical & Music Stores	\$1,235,669	\$0	\$1,235,669	0
452	General Merchandise Stores				
4521	Department Stores Excluding Leased Depts.	\$28,803,021	\$150,922,753	-\$122,119,732	4
4529	Other General Merchandise Stores	\$14,044,575	\$51,606,711	-\$37,562,136	10
453	Miscellaneous Store Retailers				
4531	Florists	\$1,305,829	\$1,871,236	-\$565,407	3
4532	Office Supplies, Stationery & Gift Stores	\$2,933,892	\$6,750,185	-\$3,816,293	9
4533	Used Merchandise Stores	\$1,327,723	\$851,094	\$476,629	4
4539	Other Miscellaneous Store Retailers	\$12,352,513	\$9,925,513	\$2,427,000	14
722	Food Services & Drinking Places				
7221	Full-Service Restaurants	\$22,453,742	\$18,785,695	\$3,668,047	44
7222	Limited- Service Eating Places	\$12,085,322	\$20,064,129	-\$7,978,807	24
7223	Special Food Services	\$1,206,258	\$1,085,903	\$120,355	2
7224	Drinking Places- Alcoholic Beverages	\$707,319	\$1,460,387	-\$753,068	7

Source: ESRI



Retail Potential Analysis

In the following table, we compare the retail spending gap in the Local Trade Area and the City of Rome within the retail categories that have sales leakage to the average sales of similar businesses in Upstate New York. This allows us to identify which of the industries with sales leakage may have enough unmet demand to warrant opening a new store or expanding existing stores.

The table below identifies the number of new businesses that, theoretically, could be supported in the trade area, assuming:

1. 25% of the sales leakage is recaptured (this is typical among various retail categories), and
2. New businesses have sales comparable to the average sales of all Upstate New York businesses in the same retail category

Out of the eleven businesses in that display leakage in the Local Trade area, 4 show potential to be supported by the market based on the recapture potential. The Spending Potential Index previously showed that residents of both geographies spent a greater amount of their income on electronics/video games/tvs compared to other retail categories, however, as noted before, prospective electronic stores would likely be wary of entering the market due to the lower spending capacity in the region and the trend of buying electronic items online.

Spending Demand Analysis (Potential For New Retail Businesses in Local Trade Area)					
NAICS	Industry Group	A	B	C	D
		Retail Sales Gap (i.e. unmet demand)	25% Leakage Recapture* (A x 25%)	Avg. Sales per Business (Upstate New York)	Potential Businesses (B/C)
4431	Electronics & Appliance Stores	\$6,486,109	\$1,621,527	\$1,474,618	1
4481	Clothing Stores	\$4,151,358	\$1,037,840	\$1,019,927	1
4411	Automobile Dealers	\$20,031,339	\$5,007,835	\$6,703,550	1
4511	Sporting Goods/Hobby/Musical Instr Stores	\$2,365,139	\$591,285	\$912,577	1
4512	Book, Periodical & Music Stores	\$1,529,145	\$382,286	\$908,552	0
4452	Specialty Food Stores	\$1,529,145	\$382,286	\$927,244	0
4482	Shoe Stores	\$1,290,303	\$322,576	\$879,471	0
4531	Florists	\$429,028	\$107,257	\$321,242	0
4442	Lawn & Garden Equip & Supply Stores	\$272,127	\$68,032	\$703,094	0
4451	Grocery Stores	\$2,365,139	\$591,285	\$6,223,577	0
4412	Other Motor Vehicle Dealers	\$1,366,960	\$341,740	\$5,576,708	0

Source: ESRI; Camoin Associates

Color designates potential for at least 1 new retail business

In Rome, out of the thirteen retail categories that display leakage, ten could potentially be supported based on spending in these categories in Upstate New York. The City's spending capacity was slightly higher than that of the Local Trade Area, however it was still below the national average. The same caveat exists with electronic stores in Rome as the Local Trade Area. A full-service restaurant that differentiates itself from other eating establishments in the city may be the greatest opportunity for retail in the area.

Spending Demand Analysis (Potential For New Retail Businesses in City of Rome)					
NAICS	Industry Group	A Retail Sales Gap (i.e. unmet demand)	B 25% Leakage Recapture* (A x 25%)	C Avg. Sales per Business (Upstate New York)	D Potential Businesses (B/C)
4431	Electronics & Appliance Stores	\$18,170,107	\$4,542,527	\$1,474,618	3
7221	Full-Service Restaurants	\$3,668,047	\$917,012	\$448,833	2
4481	Clothing Stores	\$7,974,475	\$1,993,619	\$1,019,927	2
4452	Specialty Food Stores	\$3,663,179	\$915,795	\$927,244	1
4483	Jewelry, Luggage & Leather Goods Stores	\$2,542,961	\$635,740	\$729,152	1
4422	Home Furnishings Stores	\$2,692,539	\$673,135	\$950,891	1
4539	Other Miscellaneous Store Retailers	\$2,427,000	\$606,750	\$1,031,530	1
4482	Shoe Stores	\$1,997,342	\$499,336	\$879,471	1
4533	Used Merchandise Stores	\$476,629	\$119,157	\$219,768	1
4442	Lawn & Garden Equip & Supply Stores	\$1,413,991	\$353,498	\$703,094	1
4461	Health and Personal Care Stores	\$3,358,077	\$839,519	\$1,880,583	0
4512	Book, Periodical & Music Stores	\$1,235,669	\$308,917	\$908,552	0
7223	Special Food Services	\$120,355	\$30,089	\$375,769	0

Source: ESRI; Camoin Associates

Color designates potential for at least 1 new retail business

The Marcy Nanocenter is an advanced semiconductor manufacturing facility set to be built in Utica, NY, adding between 1,000-2,000 new jobs to the region. Based on the work at the facility, employees at Marcy will likely have higher incomes and seek out entertainment and retail options in the area. This influx of regional workers could prove to be an opportunity for Rome's downtown, as consumer demand for mixed-use residential style downtown spaces is a continuing trend in retail development. A denser urban neighborhood with ground level retail boutiques and other entertainment services and restaurants, with residential options on upper floors could create a dynamic downtown mix that would harness the existing layout of Rome's downtown and attract patrons from other regional destinations.

Office

Takeaway Findings

- **Overall office market outlook is weak.** Office utilizing jobs are not expected to drive demand for office space in Oneida County or the Rome region. Both geographies are expected to lose a combined 452 office jobs, resulting in negative absorption of regional office space. There have been no office buildings added to the market since 2012, and while vacancy rates are low, the poor demand outlook means that the vacant space will be able to absorb most, if not all office space needs.

Additionally, office rental rates fell by 15-20% due to the recession and have yet to rebound to their pre-recession levels, indicating weakness in demand.

- **Potential exists for specialized office products.** While the overall office market outlook is poor, there are two sub-markets that appear to have some market feasibility: medical office space and short-term office space.
 - **Medical office feasibility.** Growth is expected in medical professions that would require office space. A companion study, completed as part of the Downtown Rome BOA Step 3 planning effort, found that a mid-scale multi-tenant clinic has market feasibility in downtown Rome due to expected industry growth, an aging population, unmet health service needs, and a lack of modern medical office space in the city.
 - **Short-term office space.** The Marcy Nanotech project is expected to generate demand for short-term office space (i.e, leases for less than one year) that is fully furnished and equipped with the basics. GlobalFoundries in Saratoga County was a similar development that created demand for this type of space, which was in short supply in the market. This kind of office space, coupled with short-term apartments or lodging may be a successful niche product type.

BOA Area Office Supply

According to CoStar data, there are only 6 office buildings in the BOA study Area comprising a total of 84,400 square feet (a fraction of a percent of the total Greater Rome office inventory). Due to the small size of the dataset, a limited amount of data is available on these properties. The available data, however, shows that there has not been any office development in the BOA in at least the past 9 years. The average age of the office space buildings in the BOA is 43 years old. Nearly all of the office space is the lowest quality, Class C space which comprises 93% of the BOA's office space. The largest office building is on West Dominick Street and features 36,000 square feet of Class C office space home to Oneida County offices.

Office Supply Trends

Office Supply by Class

In the Greater Rome area there are no Class A office space buildings. Class B space comprises about 650,000 square feet of the office inventory (45%) while the lower quality Class C space accounts for 810,000 square feet (55%). At the regional level, office space is skewed more towards higher quality space with Class B space making up 64% of the county's office inventory compared to 34% of the inventory falling into the Class C category. Class A only makes up about 123,000 square feet of all inventory or about 1.5% of the total.

Office Inventory by Class (2016)							
Geography	Class A		Class B		Class C		Total Sq. Ft.
	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	
BOA	0	0%	5,907	7%	78,535	93%	84,442
Greater Rome	0	0%	654,155	45%	809,952	55%	1,464,107
Oneida County	122,760	1.5%	5,596,353	67%	2,654,226	32%	8,373,339

Source: CoStar

Net Absorption

Net Absorption measures the change in office space usage when new construction and tenant "move-ins" and "move-outs" are taken into consideration. Net absorption can vary dramatically from year to year but the data is helpful in identifying longer-term trends.

As shown in the table below, overall absorption from 2007 through 2016 YTD in Greater Rome has been 82,000 square feet, representing an annual average of about 8,700 square feet. To put that in perspective, that corresponds to about 35-45 new office-utilizing jobs per year (assuming about 200 to 250 square feet of space per office worker). Oneida County has experienced a total net absorption of nearly 640,000 square feet of office space between 2007 and 2016 YTD, although the absorption rate was much greater prior to 2011.

Net Absorption (Square Feet)			
	BOA	Greater Rome	Oneida County
2016 YTD	0	4,000	(14,520)
2015	0	(100)	126,801
2014	0	11,828	29,337
2013	0	1,810	(47,968)
2012	0	(328)	(123,217)
2011	0	43,179	9,023
2010	0	7,097	84,485
2009	0	24,985	345,535
2008	500	30,278	181,566
2007	-500	(40,726)	48,895
Total	0	82,023	639,937
Avg. Annual (2007-2015)	0	8,669	72,717

Source: CoStar

The following table takes a closer look at net absorption by class of space within the Greater Rome market. Overall, Class B space has been in greater demand than Class C space, which saw a net loss in absorption. Almost 120,000 square feet of Class B space was absorbed compared to a negative 38,000 square feet of Class C space.

Net Absorption by Class - Greater Rome				
Year	Class A	Class B	Class C	Total
2016 YTD	0	4,000	0	4,000
2015	0	3,600	(3,700)	(100)
2014	0	0	11,828	11,828
2013	0	2,400	(590)	1,810
2012	0	(16,400)	16,072	(328)
2011	0	49,400	(6,221)	43,179
2010	0	7,362	(265)	7,097
2009	0	27,985	(3,000)	24,985
2008	0	13,253	17,025	30,278
2007	0	28,161	(68,887)	(40,726)
Total	0	119,761	(37,738)	82,023
Avg. Annual (2007-2015)	0	12,862	(4,193)	8,669

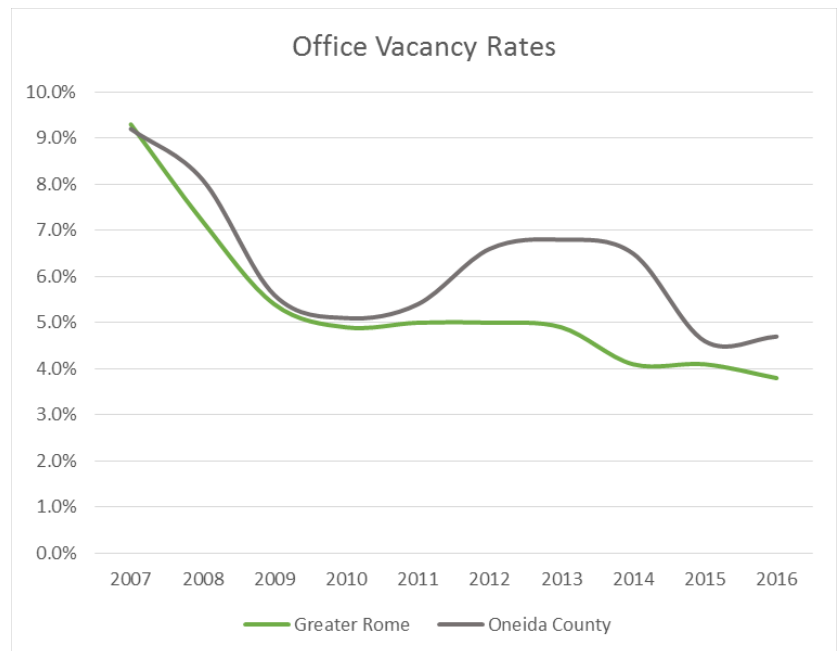
Source: CoStar

Vacancy Rates

Office vacancy rates have been generally falling since their peak above 9% in 2007. The Greater Rome vacancy rate was stronger through the recession and post-recession period and continues to be lower than Oneida County overall. The current vacancy rate of 3.8% in the Greater Rome market is indicative of a relatively balanced office market.

Office Vacancy Rates		
	Greater Rome	Oneida County
2016 YTD	3.8%	4.7%
2015	4.1%	4.6%
2014	4.1%	6.0%
2013	4.9%	6.3%
2012	5.0%	5.8%
2011	5.0%	4.4%
2010	4.9%	3.9%
2009	5.4%	4.3%
2008	7.2%	8.2%
2007	9.3%	9.2%
Avg. Annual (2007-2015)	5.5%	5.9%

Source: CoStar



Rental Rates

Greater Rome has averaged a higher per-square-foot rental rate than Oneida overall at about \$12.00 compared to \$10.70 in the county. Office rates fell by 15-20% due to the recession and have yet to rebound to their pre-recession levels.

Office Rental Rates (Gross Rent)		
	Greater Rome	Oneida County
2016 YTD	\$ 10.57	\$ 8.76
2015	\$ 11.77	\$ 10.88
2014	\$ 12.67	\$ 10.84
2013	\$ 10.86	\$ 12.06
2012	\$ 11.33	\$ 11.23
2011	\$ 10.14	\$ 11.71
2010	\$ 10.81	\$ 10.43
2009	\$ 13.83	\$ 10.22
2008	\$ 13.85	\$ 10.96
2007	\$ 13.95	\$ 9.90
Avg. Annual (2007-2015)	\$ 11.98	\$ 10.70

Source: CoStar

As expected, Class B rates are higher than those of Class C rates. Class B rates are currently around \$12 per square foot compared to around \$10.40 per square foot for Class C space.

Office Rental Rates by Class - Greater Rome			
Year	Class A	Class B	Class C
2016 YTD	NA	\$ 11.94	\$ 10.37
2015	NA	\$ 12.22	\$ 10.97
2014	NA	\$ 14.30	\$ 11.38
2013	NA	\$ 14.86	\$ 8.93
2012	NA	\$ 14.31	\$ 8.94
2011	NA	\$ 14.13	\$ 7.82
2010	NA	\$ 11.42	\$ 10.50
2009	NA	\$ 13.83	-
2008	NA	\$ 17.00	\$ 9.33
2007	NA	\$ 13.95	-
Avg. Annual (2007-2015)	NA	\$ 13.80	\$ 9.78

Source: CoStar

Deliveries

Office deliveries refers to the new office inventory that is added to the market and is a measure of office construction activity, which is a helpful indicator of office space demand. Only three buildings have been added to the Greater Rome market from 2007 through 2016 YTD. These buildings have added about 117,000 square feet of inventory. There have been no office developments in the market between 2012 and 2016 YTD in either Greater Rome or Oneida County indicating the existing supply has been absorbing office demand.

Deliveries (2007 - 2016 YTD)						
	BOA		Greater Rome		Oneida County	
	Bldgs	Sq. Ft.	Bldgs	Sq. Ft.	Bldgs	Sq. Ft.
2016 YTD	0	0	0	0	0	0
2015	0	0	0	0	0	0
2014	0	0	0	0	0	0
2013	0	0	0	0	0	0
2012	0	0	0	0	0	0
2011	0	0	1	46,500	1	46,500
2010	0	0	0	0	2	59,974
2009	0	0	0	0	2	10,180
2008	0	0	0	0	1	122,760
2007	0	0	2	70,861	2	70,861
Total	0	0	3	117,361	8	310,275

Source: CoStar

Office Demand

Demand for office space is projected to be very weak. In fact, based on employment projections of office-utilizing occupations, there will be a net decrease in office occupancy in both Oneida County and the immediate Rome area. Oneida County is projected to lose approximately 436 office-utilizing jobs over 10-years, representing an annual negative net absorption of over 8,000 square feet of office space.

Despite the overall negative projection, some specific office-utilizing occupations will see growth led by health-care and social service occupations. There may be demand for new office space if the existing and future vacant office space is insufficient to meet the demands of these groups. Typically, health care and medical professions prefer new

and modern facilities so it is reasonable to believe that this type of office space could potentially be supported in the future. For additional details see following section on the medical office market.

The tables below detail the office-utilizing occupations and their projected growth or decline over the next ten years.

Oneida County Growth in Office Utilizing Occupations				
SOC Code	Title	2015 Jobs	2025 Jobs	Change
21-1000	Counselors, Social Workers, and Other Community and Social Service Specialists	2,305	2,559	254
29-1000	Health Diagnosing and Treating Practitioners	4,305	4,545	240
29-2000	Health Technologists and Technicians	2,851	3,036	185
31-9000	Other Healthcare Support Occupations	1,061	1,141	80
11-9000	Other Management Occupations	1,389	1,440	51
27-1000	Art and Design Workers	186	198	12
15-2000	Mathematical Science Occupations	81	91	10
19-3000	Social Scientists and Related Workers	191	200	9
37-1000	Supervisors of Building and Grounds Cleaning and Maintenance Workers	231	240	9
23-1000	Lawyers, Judges, and Related Workers	381	389	8
11-2000	Advertising, Marketing, Promotions, Public Relations, and Sales Managers	223	229	6
17-2000	Engineers	859	864	5
11-3000	Operations Specialties Managers	812	815	3
31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	297	299	2
17-3000	Drafters, Engineering Technicians, and Mapping Technicians	304	305	1
29-9000	Other Healthcare Practitioners and Technical Occupations	87	88	1
17-1000	Architects, Surveyors, and Cartographers	53	53	0
27-3000	Media and Communication Workers	326	326	0
23-2000	Legal Support Workers	166	165	-1
33-1000	Supervisors of Protective Service Workers	322	316	-6
27-4000	Media and Communication Equipment Workers	78	68	-10
27-2000	Entertainers and Performers, Sports and Related Workers	360	347	-13
43-2000	Communications Equipment Operators	67	49	-18
43-1000	Supervisors of Office and Administrative Support Workers	1,139	1,119	-20
11-1000	Top Executives	1,701	1,669	-32
33-9000	Other Protective Service Workers	975	932	-43
13-2000	Financial Specialists	1,808	1,761	-47
43-6000	Secretaries and Administrative Assistants	2,913	2,832	-81
15-1100	Computer Occupations	1,961	1,875	-86
43-4000	Information and Record Clerks	4,730	4,624	-106
13-1000	Business Operations Specialists	2,746	2,638	-108
43-5000	Material Recording, Scheduling, Dispatching, and Distributing Workers	2,516	2,357	-159
43-9000	Other Office and Administrative Support Workers	3,413	3,173	-240
43-3000	Financial Clerks	3,120	2,778	-342
	Total	43,957	43,521	(436)

Source: EMSI



Rome Growth in Office Utilizing Occupations (Zip Code 13440; 13441)				
SOC Code	Title	2015 Jobs	2025 Jobs	Change
29-1000	Health Diagnosing and Treating Practitioners	554	576	22
29-2000	Health Technologists and Technicians	350	371	21
31-9000	Other Healthcare Support Occupations	159	170	11
13-1000	Business Operations Specialists	300	310	10
17-2000	Engineers	174	180	6
Nov-00	Other Management Occupations	149	153	4
13-2000	Financial Specialists	242	245	3
27-3000	Media and Communication Workers	41	44	3
23-1000	Lawyers, Judges, and Related Workers	22	24	2
Nov-00	Advertising, Marketing, Promotions, Public Relations, and Sales Managers	29	31	2
21-1000	Counselors, Social Workers, and Other Community and Social Service Specialists	109	111	2
15-2000	Mathematical Science Occupations	10	12	2
29-9000	Other Healthcare Practitioners and Technical Occupations	13	14	1
33-9000	Other Protective Service Workers	107	108	1
19-3000	Social Scientists and Related Workers	21	22	1
Nov-00	Operations Specialties Managers	121	122	1
17-3000	Drafters, Engineering Technicians, and Mapping Technicians	51	52	1
23-2000	Legal Support Workers	12	12	0
11-1000	Top Executives	215	215	0
33-1000	Supervisors of Protective Service Workers	11	11	0
31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	38	37	-1
43-4000	Information and Record Clerks	530	529	-1
37-1000	Supervisors of Building and Grounds Cleaning and Maintenance Workers	31	30	-1
43-6000	Secretaries and Administrative Assistants	287	286	-1
27-2000	Entertainers and Performers, Sports and Related Workers	44	42	-2
43-1000	Supervisors of Office and Administrative Support Workers	142	139	-3
27-1000	Art and Design Workers	25	21	-4
43-9000	Other Office and Administrative Support Workers	267	259	-8
43-5000	Material Recording, Scheduling, Dispatching, and Distributing Workers	413	398	-15
15-1100	Computer Occupations	366	349	-17
43-3000	Financial Clerks	428	372	-56
17-1000	Architects, Surveyors, and Cartographers	<10	<10	Insf. Data
27-4000	Media and Communication Equipment Workers	<10	<10	Insf. Data
43-2000	Communications Equipment Operators	<10	<10	Insf. Data
	Total	5,279	5,260	(19)

Source: EMSI



Based on the employment projections, both Oneida County and the Rome area will see negative demand for office space. This indicates a very weak market but there may be limited opportunities based on the types of industries and occupations that will see growth.

Office Space Demand				
Geography	Annual New Employees	SF per Employee	Annual Demand for Office Space	5-Year Demand for Office Space
Oneida County	(44)	200	(8720)	(43,600)
Rome Zip Code Area	(2)	200	(380)	(1,900)

Source: EMSI; Camoin Associates

Medical Office

This section looks specifically at medical office space as a subcategory of the overall office market. In the Greater Rome Market there are 19 medical office buildings representing nearly 250,000 square feet according to CoStar data. Current vacancy is only 3.8% or 9,500 square feet. Despite the relatively low vacancy rate, there has been no new medical office space built in the market in the past ten years.

Medical Office Inventory and Vacancy Rate by Year - Greater Rome				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2016 YTD	19	247,212	9,500	3.8%
2015	19	247,212	9,500	3.8%
2014	19	247,212	8,500	3.4%
2013	19	247,212	10,000	4.0%
2012	19	247,212	14,536	5.9%
2011	19	247,212	7,300	3.0%
2010	19	247,212	9,400	3.8%
2009	19	247,212	12,062	4.9%
2008	19	247,212	26,262	10.6%
2007	19	247,212	31,700	12.8%

Source: CoStar

Looking at the county level reveals a similar pattern with the medical office inventory remaining relatively flat. Currently, the county has about 45,000 square feet of vacant medical office space on the market representing a vacancy rate of 4.4%. The vacancy rate saw a significant decrease in 2015 after being in the double digits from 2012 through 2014.

Medical Office Inventory and Vacancy Rate by Year - Oneida County				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2016 YTD	86	1,007,796	44,649	4.4%
2015	85	1,002,756	55,949	5.6%
2014	85	1,002,756	102,774	10.2%
2013	86	1,006,156	120,681	12.0%
2012	86	1,006,156	112,593	11.2%
2011	86	1,006,156	80,542	8.0%
2010	86	1,006,156	72,042	7.2%
2009	85	998,182	71,843	7.2%
2008	85	998,182	67,298	6.7%
2007	85	998,182	147,500	14.8%

Source: CoStar

Future demand for medical office space can be projected based on employment growth in the healthcare industry. The following table shows expected employment growth in the Rome Zip Code area over five-years. Nursing care facilities will see the greatest growth with 37 new jobs followed by continuing care retirement communities and assisted living facilities for the elderly. These categories are discussed in additional detail in the residential section of this report.

Medical office utilizing industry growth can be found in Offices of Physicians (14 jobs), Offices of Dentists (6 jobs), and Outpatient Care Centers (5 jobs). The projections indicate limited need for new medical office space in the local market.

Rome Zip Code Area Health Industry Growth (2015-2025)					
NAICS	Description	2015 Jobs	2020 Jobs	2015 - 2020 Change	2015 - 2020 % Change
6231	Nursing Care Facilities (Skilled Nursing Facilities)	553	590	37	7%
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	40	57	17	43%
6243	Vocational Rehabilitation Services	65	82	17	26%
6211	Offices of Physicians	230	244	14	6%
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	82	92	10	12%
6212	Offices of Dentists	100	106	6	6%
6214	Outpatient Care Centers	26	31	5	19%
6244	Child Day Care Services	88	91	3	3%
6239	Other Residential Care Facilities	0	0	0	0%
6222	Psychiatric and Substance Abuse Hospitals	0	0	0	0%
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	0	0	0	0%
6219	Other Ambulatory Health Care Services	0	0	0	0%
6215	Medical and Diagnostic Laboratories	40	39	-1	-3%
6216	Home Health Care Services	41	40	-1	-2%
6221	General Medical and Surgical Hospitals	659	654	-5	-1%
6213	Offices of Other Health Practitioners	48	42	-6	-13%
6241	Individual and Family Services	45	30	-15	-33%
6242	Community Food and Housing, and Emergency and Other Relief Services	<10	<10	Insf. Data	Insf. Data
		2,020	2,104	84	4%

Source: EMSI



Growth at the regional level should also be considered because there may be potential for Rome to capture a portion of that demand for space. Within the county, sectors related to senior housing are also projected to increase by the greatest number of jobs. Outpatient Care Centers, Offices of Physicians, Offices of Dentists are projected to grow by a combined total of 336 jobs. That translates to a need for about 67,000 square feet of medical office space over the next 5 years in the county (about 13,400 square feet annually).

Oneida County Health Industry Growth (2015-2020)						
NAICS	Description	2015 Jobs	2020 Jobs	2015 - 2020 Change	2015 - 2020 % Change	2015 Establishments
6243	Vocational Rehabilitation Services	2,570	3,211	641	25%	18
6231	Nursing Care Facilities (Skilled Nursing Facilities)	3,993	4,257	264	7%	19
6241	Individual and Family Services	2,904	3,098	194	7%	46
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	404	583	179	44%	11
6214	Outpatient Care Centers	576	754	178	31%	27
6211	Offices of Physicians	2,023	2,151	128	6%	174
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	660	693	33	5%	37
6212	Offices of Dentists	518	548	30	6%	75
6244	Child Day Care Services	548	568	20	4%	50
6219	Other Ambulatory Health Care Services	197	215	18	9%	6
6222	Psychiatric and Substance Abuse Hospitals	0	0	0	0%	0
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	0	0	0	0%	0
6215	Medical and Diagnostic Laboratories	319	314	-5	-2%	19
6216	Home Health Care Services	483	478	-5	-1%	14
6242	Community Food and Housing, and Emergency and Other Relief Services	122	113	-9	-7%	9
6239	Other Residential Care Facilities	37	17	-20	-54%	1
6213	Offices of Other Health Practitioners	340	320	-20	-6%	75
6221	General Medical and Surgical Hospitals	4,505	4,468	-37	-1%	4
	Total	20,198	21,788	1,590	8%	583

Source: EMSI

Industrial & Flex

Takeaway Findings

- **There is currently an excess of industrial property on the market.** Vacancy rates for industrial space are over 11% in Oneida County and Greater Rome. Prior to the recession, vacancy rates were generally in the 7% to 8% range in the Greater Rome market, where there is now about 590,000 square feet of vacant industrial space. Oneida County has nearly 2.7 million square feet of vacant space in total. There has been no new industrial construction in Greater Rome since 2009.
- **Demand for industrial space has been weak.** Between 2007 and 2015 the Greater Rome market experienced a net absorption of about negative 350,000 square feet as industrial users left the area or closed. Warehouse space was the biggest “loser” with a negative net absorption during this time of about 270,000 square feet. Net absorption of manufacturing space was negative 78,000 square feet. “Service” and “Distribution” were the only industrial categories to see positive net absorption, although it was minor.
- **Flex space is in short supply.** According to CoStar data, flex space (i.e., a mix of office and light industrial) has low vacancy rates in Greater Rome and Oneida County at under 1% and 3.2%, respectively. Net absorption of flex space, however, has been relatively minor with only 13,250 square feet absorbed in Greater Rome since 2013. The data suggests that the market may be able to support new flex building in the next few years.
- **Regional industrial growth expected in select sectors.** The demand outlook in the region is strongest for Transit and Ground Passenger Transportation. The industry is expected to gain 130 jobs in the next 10 years. There are also potential opportunities within the Electrical Equipment, Appliance, and Component Manufacturing and Food Manufacturing industries, which are expected to grow. Computer and Electronic Product Manufacturing, Wood Product Manufacturing and Apparel Manufacturing are three other manufacturing sectors that are also expected to grow.
- **Industrial and flex space demand likely to be absorbed by Griffiss or outside of Rome.** Griffiss is well positioned to absorb industrial demand in the near future as it caters specifically to those industries expected to grow in the region. Furthermore, traditional industrial users, especially for warehousing and distribution, are unlikely to locate in the city – choosing instead locations closer to the NYS Thruway and where land is very cheap.
- **Marcy unlikely to generate much new demand for industrial or flex space in Rome.** A companion analysis completed as part of the Downtown Rome BOA Step 3 project explored the potential demand generated for industrial and other spaces as a result of the Marcy project. The report found that due to the heavily globalized supply chain of semiconductor manufacturing coupled with the need for “spinoff” industrial users to be in close proximity to the facility itself, little demand for industrial space would be exist in Rome. Any demand that did exist would likely be captured at Griffiss.

Regional Context

The vacancy rate for industrial space has been fluctuating between 2007 to 2016, in both Oneida County and Greater Rome. Oneida County experienced its lowest vacancy rates in 2007 at 6.5%. After reaching its highest vacancy rates in 2014, they have decreased to 9.7% in 2016. Greater Rome experienced its lowest vacancy rates in 2007 at 4.2%. After reaching its highest vacancy rates in 2015 at 11.4%, they have decreased to 10.1% in 2016.

Absorption has also fluctuated but is positive for Oneida County in 2016. Deliveries of new space have been negligible for both regions.

The tables below show how the industrial inventory and vacancy rates of both Oneida County and Greater Rome have changed in recent years. Rates were lowest in 2007 and have now settled at about 11%, a 3.6% overall increase in Oneida, and 6.7% overall increase in Greater Rome. Inventory for Oneida has increased by 792,889 square feet, and inventory for Greater Rome has stayed fairly constant around 5.1 million square feet.

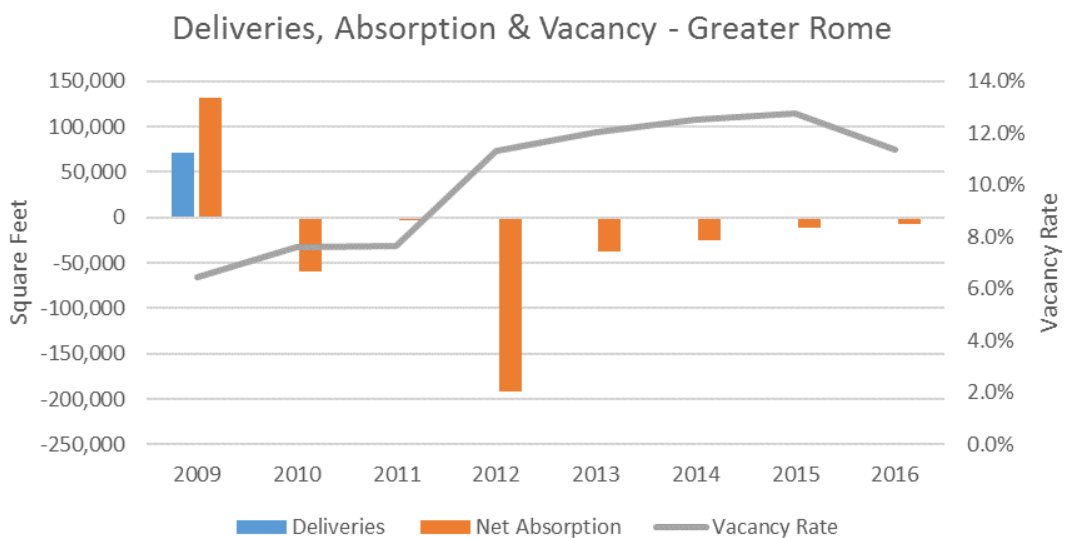
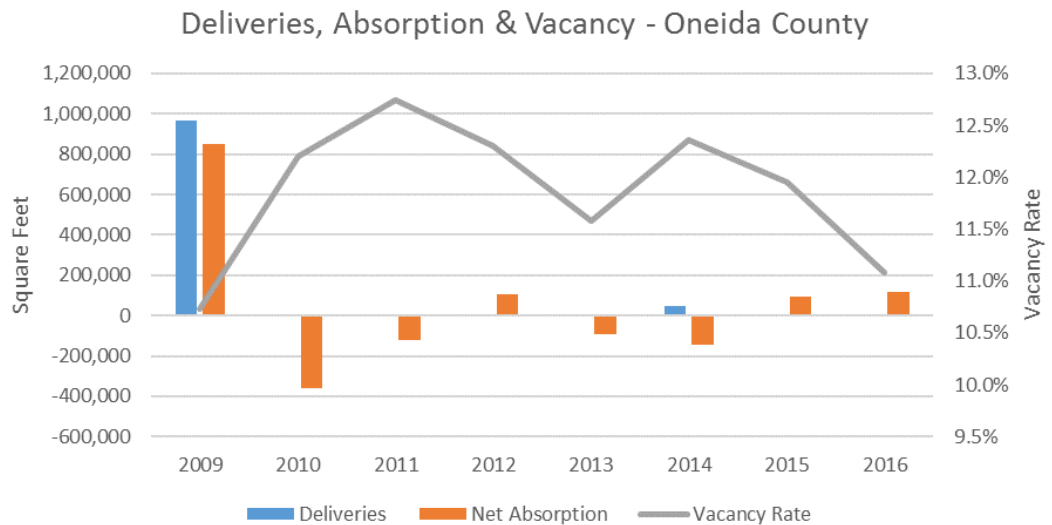
Industrial Vacancy Rate by Year - Oneida County				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2016	407	24,066,749	2,667,699	11.1%
2015	406	24,146,304	2,886,846	12.0%
2014	406	24,146,304	2,982,829	12.4%
2013	405	24,096,304	2,788,691	11.6%
2012	408	24,400,198	3,003,104	12.3%
2011	408	24,400,198	3,108,575	12.7%
2010	407	24,391,198	2,976,557	12.2%
2009	407	24,391,198	2,616,468	10.7%
2008	405	23,463,535	2,537,943	10.8%
2007	405	23,463,535	2,094,850	8.9%

Source: CoStar

Industrial Vacancy Rate by Year - Greater Rome				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2016	74	5,160,174	587,123	11.4%
2015	75	5,250,174	669,207	12.7%
2014	75	5,250,174	657,687	12.5%
2013	75	5,250,174	631,887	12.0%
2012	75	5,250,174	594,607	11.3%
2011	75	5,250,174	402,516	7.7%
2010	75	5,250,174	398,816	7.6%
2009	75	5,250,174	339,184	6.5%
2008	73	5,178,714	398,684	7.7%
2007	73	5,178,714	244,084	4.7%

Source: CoStar

The graphs below show deliveries, absorption, and vacancy rates for industrial space in Oneida County and Greater Rome from 2009-2016. There have been 2 deliveries in Oneida County, the most recent being 9,000 square feet in 2011, but it's largest being 968,119 square feet in 2009. There has only been one delivery in Greater Rome of 71,460 square feet in 2009. From 2009-2016 net absorption averaged 25,545 square feet for Oneida County (204,363 square feet overall), and averaged -25,872 square feet in Greater Rome (-206,979 square feet overall).



Industrial inventory in Greater Rome specifically, is comprised of 70 buildings and 5,077,459 total square feet. Manufacturing space comprises 47% of total space, making it the major type of space. The second largest type is distribution space at 28%, then warehouse space at 15%. Other industrial spaces are less than 5% of total space.

Industrial Inventory - Greater Rome (2016)			
Type of Industrial	Buildings	Square Feet	Pct. Of Total SF
Manufacturing	27	2,432,627	47%
Distribution	5	1,443,339	28%
Warehouse	21	790,750	15%
Service	12	230,450	4%
Truck Terminal	3	78,893	2%
Refrigeration	1	94,000	2%
Food Processing	1	7,400	0%
Total	70	5,077,459	100%

Source: CoStar

Between 2010 and 2016, there was an overall decrease in industrial development in Greater Rome. Between 2010 and 2016, manufacturing space decreased by 90,000 square feet. Making the total amount of space 5,167,459 square feet in 2010, and 5,077,459 square feet in 2016.

Industrial Development by Type (2010 -2016) - Greater Rome			
Type of Industrial	2010	2016*	Change (2010 to 2016) in Square Feet
Manufacturing	2,522,627	2,432,627	(90,000)
Distribution	1,443,339	1,443,339	0
Warehouse	790,750	790,750	0
Service	230,450	230,450	0
Refrigeration	94,000	94,000	0
Truck Terminal	78,893	78,893	0
Food Processing	7,400	7,400	0
Total	5,167,459	5,077,459	(90,000)

*As of 6/6/2016

Source: CoStar

The following table shows net absorption by industrial building type from 2007 to 2015 in Greater Rome. During this time, service space had the greatest absorption at 19,460 square feet, followed by distribution space at 16,400 square feet. All other types of industrial space experienced negative or zero net absorption.

Industrial Net Absorption by Type - Greater Rome							
Year	Warehouse	Manufacturing	Service	Distribution	Food Processing	Refrigeration	Truck Terminal
2015	12,380	(24,400)	500	0	0	0	0
2014	11,200	300	0	0	0	(40,000)	0
2013	(89,680)	53,800	(500)	0	0	0	0
2012	(160,191)	(35,100)	5,000	0	0	0	0
2011	(500)	(3,200)	0	0	0	0	0
2010	7,900	(40,700)	0	0	0	0	0
2009	117,700	(7,500)	19,460	0	0	0	0
2008	(137,100)	(11,200)	(5,000)	0	0	0	0
2007	(34,000)	(10,084)	0	16,400	0	0	0
Total	(272,291)	(78,084)	19,460	16,400	0	(40,000)	0
Average	(30,255)	(8,676)	2,162	1,822	0	(4,444)	0

Source: CoStar

Industrial Demand

Future industrial demand for industrial and flex space can be better understood by looking at employment projections within the industry sectors likely to utilize this space. Specifically, the following two-digit NAICS industries were examined:

- Mining, Quarrying, and Oil and Gas Extraction
- Utilities
- Manufacturing
- Transportation and Warehousing

The following table shows employment growth in the four industries broken down into the more detailed 3-digit NAICS level. Most growth is expected in Transit and Ground Passenger Transportation, which will expand by 130 jobs over the next 10 years. There will also be demand for manufacturing space with Electrical Equipment, Appliance, and Component Manufacturing expected to grow by 109 jobs and Food Manufacturing predicted to grow by 55 jobs. Utilities, Computer and Electronic Product Manufacturing, Wood Product Manufacturing and Apparel Manufacturing are also expected to grow.

Oneida County Regional Industrial Growth (2016-2026)					
NAICS	Description	2016 Jobs	2026 Jobs	2016 - 2026 Change	2016 - 2026 % Change
485	Transit and Ground Passenger Transportation	769	899	130	17%
335	Electrical Equipment, Appliance, and Component Manufacturing	581	690	109	19%
311	Food Manufacturing	1018	1073	55	5%
221	Utilities	259	311	52	20%
334	Computer and Electronic Product Manufacturing	1075	1117	42	4%
321	Wood Product Manufacturing	383	411	28	7%
315	Apparel Manufacturing	112	134	22	20%
484	Truck Transportation	877	886	9	1%
324	Petroleum and Coal Products Manufacturing	33	40	7	21%
492	Couriers and Messengers	353	360	7	2%
326	Plastics and Rubber Products Manufacturing	94	98	4	4%
211	Oil and Gas Extraction	0	0	0	0%
213	Support Activities for Mining	0	0	0	0%
316	Leather and Allied Product Manufacturing	0	0	0	0%
483	Water Transportation	0	0	0	0%
491	Postal Service	0	0	0	0%
482	Rail Transportation	60	56	(4)	(7%)
212	Mining (except Oil and Gas)	153	147	(6)	(4%)
314	Textile Product Mills	26	17	(9)	(35%)
488	Support Activities for Transportation	441	423	(18)	(4%)
313	Textile Mills	91	69	(22)	(24%)
325	Chemical Manufacturing	152	119	(33)	(22%)
327	Nonmetallic Mineral Product	107	74	(33)	(31%)
312	Beverage and Tobacco Product Manufacturing	219	184	(35)	(16%)
331	Primary Metal Manufacturing	1869	1816	(53)	(3%)
339	Miscellaneous Manufacturing	218	157	(61)	(28%)
336	Transportation Equipment Manufacturing	520	430	(90)	(17%)
332	Fabricated Metal Product Manufacturing	766	654	(112)	(15%)
323	Printing and Related Support Activities	274	147	(127)	(46%)
333	Machinery Manufacturing	966	799	(167)	(17%)
337	Furniture and Related Product Manufacturing	247	55	(192)	(78%)
493	Warehousing and Storage	1300	1043	(257)	(20%)

Source: EMSI

The table below looks more specifically at industrial growth in Greater Rome (zip code areas 13440 and 13441). Similarly, to the table above Transit and Ground Passenger Transportation is expected to grow over the next 10 years.

Greater Rome Industrial Growth (2016-2026)					
NAICS	Description	2016 Jobs	2026 Jobs	2016 - 2026 Change	2016 - 2026 % Change
485	Transit and Ground Passenger Transportation	378	417	39	10%
326	Plastics and Rubber Products Manufacturing	62	95	33	53%
484	Truck Transportation	166	188	22	13%
321	Wood Product Manufacturing	38	48	10	26%
325	Chemical Manufacturing	23	31	8	35%
335	Electrical Equipment, Appliance, and Component Manufacturing	102	108	6	6%
334	Computer and Electronic Product Manufacturing	27	30	3	11%
337	Furniture and Related Product Manufacturing	32	34	2	6%
211	Oil and Gas Extraction	0	0	0	0%
213	Support Activities for Mining	0	0	0	0%
221	Utilities	0	0	0	0%
313	Textile Mills	0	0	0	0%
315	Apparel Manufacturing	0	0	0	0%
316	Leather and Allied Product Manufacturing	0	0	0	0%
481	Air Transportation	0	0	0	0%
483	Water Transportation	0	0	0	0%
486	Pipeline Transportation	0	0	0	0%
491	Postal Service	0	0	0	0%
492	Couriers and Messengers	88	86	(2)	(2%)
311	Food Manufacturing	269	266	(3)	(1%)
331	Primary Metal Manufacturing	768	764	(4)	(1%)
336	Transportation Equipment Manufacturing	65	59	(6)	(9%)
339	Miscellaneous Manufacturing	32	25	(7)	(22%)
332	Fabricated Metal Product Manufacturing	75	65	(10)	(13%)
488	Support Activities for Transportation	381	369	(12)	(3%)
323	Printing and Related Support Activities	116	64	(52)	(45%)
333	Machinery Manufacturing	349	294	(55)	(16%)
493	Warehousing and Storage	338	272	(66)	(20%)
212	Mining (except Oil and Gas)	<10	0	Insf. Data	Insf. Data
312	Manufacturing	<10	<10	Insf. Data	Insf. Data
314	Textile Product Mills	<10	<10	Insf. Data	Insf. Data
322	Paper Manufacturing	<10	0	Insf. Data	Insf. Data
324	Petroleum and Coal Products Manufacturing	<10	<10	Insf. Data	Insf. Data
327	Nonmetallic Mineral Product Manufacturing	<10	<10	Insf. Data	Insf. Data
482	Rail Transportation	<10	<10	Insf. Data	Insf. Data
487	Scenic and Sightseeing Transportation	0	<10	Insf. Data	Insf. Data

Source: EMSI

Flex Space

Flex buildings are defined as follows:⁸

A type of building(s) designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. At least half of the rentable area of the building must be used as office space. Flex buildings typically have ceiling heights under 18', with light industrial zoning. Flex buildings have also been called Incubator, Tech and Showroom buildings in markets throughout the country.

The types of space in these buildings can be used for office, medical, industrial, warehouse, distribution, quasi-retail, or research and development space. The data for flex space discussed in this section is not included in the industrial data section.

Oneida County has 170 Flex buildings constituting a combined total of 2.4 million square feet. Greater Rome has 37 flex buildings constituting a combined total of 665,897 square feet. The average vacancy rates over the past five years have been about 3.4% and 1%, respectively.

Flex Vacancy Rate by Year - Greater Rome			
Year	Deliveries (Buildings)	Deliveries (Square Feet)	Net Absorption
2016	0	0	0
2015	0	0	0
2014	0	0	3,360
2013	0	0	9,890
2012	0	0	0
2011	0	0	0
2010	0	0	0
2009	0	0	6,700
2008	0	0	(23,400)

Source: CoStar

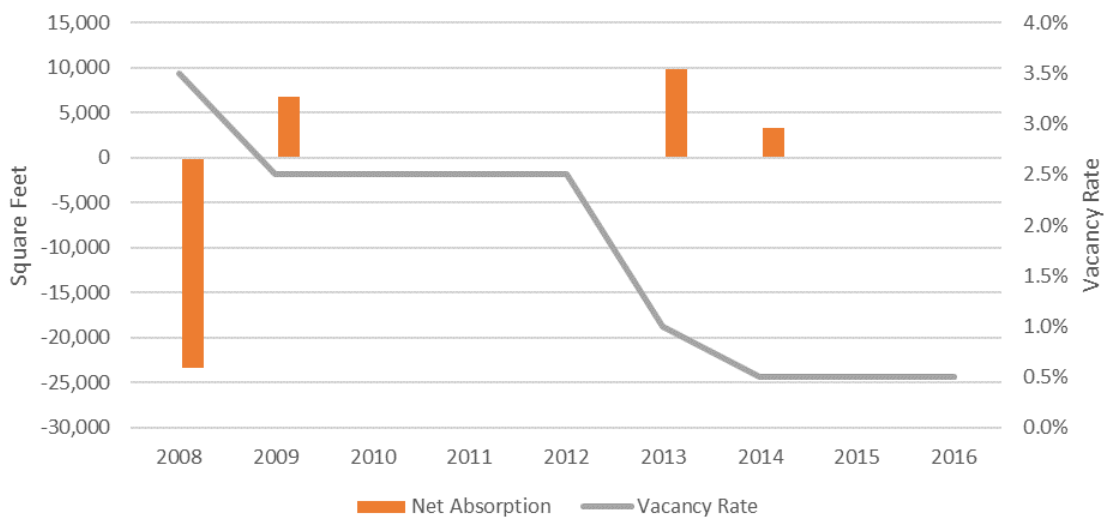
Flex Vacancy Rate by Year - Oneida County			
Year	Deliveries (Buildings)	Deliveries (Square Feet)	Net Absorption
2016	0	0	21,000
2015	0	0	(29,703)
2014	0	0	11,260
2013	0	0	(23,881)
2012	0	0	(10,924)
2011	0	0	9,989
2010	1	8,327	(24,221)
2009	0	0	95,922
2008	0	0	(94,309)

Source: CoStar

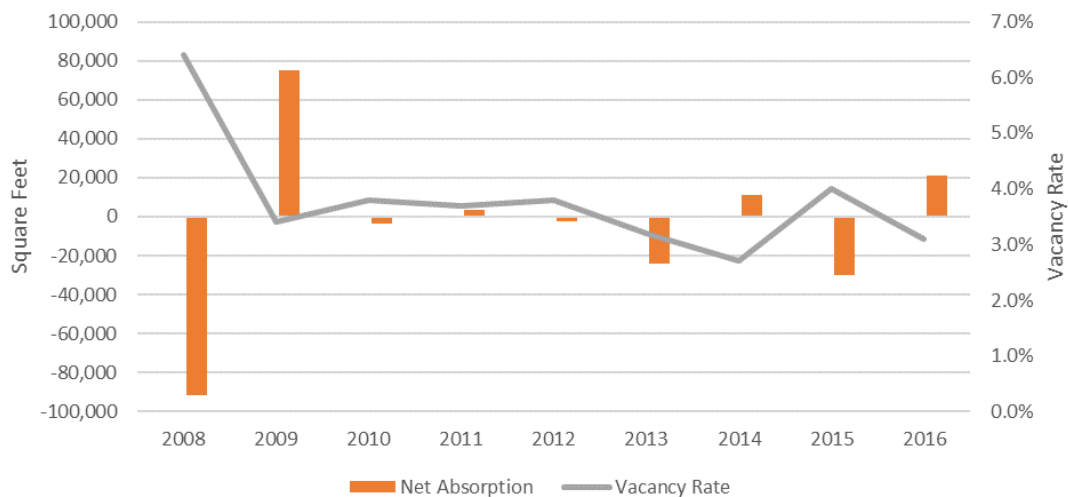
⁸ CoStar

The graphs below show the fluctuations in net absorption and vacancy rates for flex properties in both Oneida County and Greater Rome from 2008-2016. Net absorption for both areas saw its biggest fluctuations from 2008 to 2009 as a result of the recession. Vacancy rates have been stable for Oneida County since they dropped from 6.6% in 2008 to 2.5% in 2009, and have resulted in a vacancy rate of 3.2% in 2016. Vacancy Rates in Greater Rome have been lower overall, and gradually decreasing since 2008, beginning at 3.5% and ending at 0.5% in 2016.

Absorption & Vacancy - Greater Rome



Absorption & Vacancy - Onieda County



Griffiss Business and Technology Park

Griffiss Business and Technology Park, established in 1995 and located within Greater Rome, spans across 3,500 acres and is divided into 7 different development districts all holding various available spaces for technology, manufacturing, aviation, office, education, and recreation. Griffiss is easily accessible due to its location, which lies within 15 miles of three New York State Thruway interchanges (Interstate 90) and is served directly by State Routes 825, 365, 46, and 49.

Griffiss tenants consist of 62 various public and private enterprises, including but not limited to:

- Griffiss International Airport
- Hampton Inn Rome
- Avis Rent-A-Car
- Faxton Regional Cancer Center
- Family Dollar Distribution Center
- Fitness Forum Physical Therapy
- Americu Credit Union
- Syracuse Research Corporation (SRC)

Griffiss has unique resources and services, including:

- The Griffiss Airfield, which has a 2.23-mile-long runway, making it a quick and cost efficient alternative to major metros.
- Tenants with global recognition and impact.
 - Location of the *Air Force Research Laboratory*, which is a renowned research and development facility specializing in information technology.
 - Location of the *Griffiss Institute for Information Assurance*, which is a center for research and economic development in the information security sector.
- Specific location in Greater Rome, provides incentives for relocation and expansion, including Empire Zone (EZ) tax incentives, zoned sites for immediate development, small business development assistance, and private/public sector cooperation.

Griffiss Business and Technology Park is divided into 7 development districts with areas for new development:

- Park Center: 180 acres, location of *Air Force Research Laboratory*, and other private sector companies.
- Technology Heights: 100 acres, ideal for high-tech industry and office space.
- Enterprise Way: 400+ acres, with infrastructure to support rail, steam and gas systems, ideal for industry and distribution.
- Campus Green: 142 acres, ideal for conferences, educational space, and training organizations.
- Skyline Summit: 126 acres, ideal for an executive office park.
- Mohawk Glen: existing facilities include a 9-hole golf course, health center, and recreational facilities.
- Aviation Gateway: 1656 acres, including 2.23-mile-long runway, 560,000 square yards ramp space, landing systems, weather sensors, air traffic control center, and space for new hangars and warehouses.

Available space at Griffiss Business and Technology Park includes:

- 7 various land spaces ranging between 6 acres to 210 acres (listed as 1,2,3,6,7,8,9 below).
- 3 facilities ranging in size from 30,100 square feet to 290,560 square feet (listed as 4,5,10 below).

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